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SOUTH AND EAST ASIA REPORT

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STEADY GROWTH FORECAST FOR ASEAN ECONOMY

Kuala Lumpur BUSINESS TIMES in English 19 Sep 80 p 6

[Article by Peter Sura]

[Text]

HERE are grounds for optimism about Asean's economic growth in the next ten years. Throughout the past decade, Asean has had a growth rate of roughly 7 to 7½ per cent, or about double the EEC's rate. Asean should continue to see above average growth throughout the 80s.

With the exception of Singapore, Asean countries are starting from a low level of industrialisation. There is a lot of catching up to do. The area is rich in natural resources which, up to this point, have been largely exported to Japan, the United States and the EEC.

There is going to be considerable effort throughout this decade to produce more finished goods within Asean for export and local consumption. This, of course, will stimulate local economies considerably.

Specific initiatives toward self-sufficiency and growth are under way. The five countries are working on several projects together — these cooperative plans are called "industrial complementation" projects.

For example, right now, most vehicles are imported from the US, Japan or Europe. The same is true of components.

Eventually with the help of technical assistance from these countries, a vehicle will be totally produced within the region, with each country manufacturing certain parts.

This would tend to pull the five economies closer together. At this stage, no one country has the ability or means to produce a car from scratch.

In addition, there is a general shortage of capital throughout the region. As these countries develop further and the level of sophistication grows, they will be able to attract more and more capital.

There will be a shift from such labour intensive industries as electronics and textiles as more capital intensive industries locate in the region.

What effect, it may be asked, will Asean's industrial growth have on the rest of Asia and on other countries such as the US and Japan? The rest of Asia is going to find it very tough competing with Asean for overseas markets. They will not be able to rely on the kind of cooperation that is so evident in Asean where the five countries give considerable strength to each other.

The growth of the Asean economy will mean greater trade opportunities for the US and Japan. The US will be able to export more to Asean and buy more from these countries. In the past, the US bought mainly raw materials from them. In the future, the list will include a range of consumer products and industrial goods.

In looking at the establishment of a joint

Japanese-Asean investment fund to promote industrial development one should note that this particular fund is pretty much a government effort undertaken by Asean and Japan.

MHT and other international banks would have no direct involvement in its formation, though there may be ways for us to work with the fund at a later date.

Its purpose definitely will be to promote industrial development. Even before the Japanese-Asean fund is formed, however, the Asean Finance Corporation, AFC, will be set up by the five governments and Asean private sector participants.

This institution would, in turn, participate with the Japanese in the investment fund. The intention is that the AFC will help finance new industries and new development institutions in each of the Asean countries. It should come to life within the next year.

In addition to the Japanese-Asean investment fund, I think we will see other financial institutions founded, perhaps one in cooperation with the EEC and another with the US within the next couple of years.

I am confident that these institutions will be instrumental in bringing new capital resources to the Asean countries. The private banking sector, though, has been bullish on Asean for quite some time now, and can be ex-

pected to continue to play a key role there.

I do not think the Asean countries are offering more or different incentives than other developing countries around the world.

What attracts the foreign investor to Asean is the size of the market, the quality and stability of labour and the abundance of raw materials. The Asean market is larger than the US and Canada combined.

The US is doing a great deal to foster development in the Asean countries, particularly through private institutions.

One particularly interesting example of US involvement is the recently formed US/Asean Business Council, which has already held a number of meetings and conferences.

Perhaps the most ambitious event they are planning for the near future is an Asean-US financial conference to be held in Singapore in 1981 under the joint sponsorship of the Asean-US Business Council and the Asean Bankers Council.

It will be attended by members of the two councils and representatives of the entire spectrum of financial institutions from merchant banks and commercial banks to central banks and multilateral development banks.

Presentations will be made by Asean on the long-term equity markets and capital accumulation in the region,

followed by group sessions concentrating on three areas:

- Long-term capital accumulation

- Trade and investment financing

- Agricultural and consumer financing

Consideration may also be given to other selected subjects. For example, the US section of the Asean-US Business Council would be interested in developing a paper on education and training opportunities available to Asean financial representatives through private US organisations.

Throughout Asean, there is tremendous interest in foreign investments that would bring in much needed capital and technology.

There is healthy competition among the Asean countries for direct foreign investment. Each of the five member nations is also looking for export markets overseas.

If Malaysia and Singapore, for example, are in a position to produce better and cheaper goods, then obviously they have an advantage over other member nations.

Increasingly, over the past decade, the Asean countries have been able to generate more capital on their own.

That means that foreign investors need not necessarily bring in all the capital with them for a project or to get an industry off the ground. I think this is an important consideration, and one that foreign investors will pay close attention to.

There has been a good deal of talk about forming an Asean bankers acceptance market. Up to this point, most trade transactions involving Asean nations have been financed in the New York acceptance market or funded in Eurodollars elsewhere.

At the January meeting of the Asean Banking Council and the subsequent Asean Banking Conference in Jakarta

Bank Indonesia promoted an acceptance plan which was to lay the groundwork for a regional bankers acceptance market.

Such a regional acceptance market would be an important part of the financial framework for Asean trade.

What is being contemplated is an acceptance market denominated not in local currencies, but in dollars that would be outside local exchange controls and present banking laws.

These new acceptances are to be a cheaper form of finance and may be considered by the central banks of the Asean member nations as reserve assets.

In fact, the central banks are to be the buyers of last resort, in that the acceptances could be discounted at preferential rates with them.

Thus far, only Indonesia seems to have wholeheartedly embraced this plan although there is notable enthusiasm in other countries as well.

Inflation is an example of how divergent the five Asean members' economies still are.

Singapore and Malaysia, for example, have had, and continue to experience, fairly low inflation rates compared with the rest of the world and the rest of Asean.

Low inflation also means relatively low interest rates. This is the case in both countries.

In Thailand, the Philippines and Indonesia, the story is somewhat different. All three are experiencing very high inflation and are coping with high interest rates.

The causes for inflation in the three countries are of different origins. In Thailand and the Philippines, the present high inflation rate is mainly due to the tremendous rise in energy costs over the past few years.

In other words, prices and volumes of the commodities which account

for the bulk of export trade, have not increased in the past few years as much as the price of oil.

Indonesia, on the other hand, is a major oil producer. Its inflation is due to an unusually large money supply expansion, decontrol of domestic energy prices, and higher prices on imported goods and products.

Though the cost of living has gone up in Asean, it probably has not had as much impact on the man in the street as it has in industrialised countries because the population lives simply and basic staples have not risen much in price as the consumer goods we favour.

The Asean population is definitely better off today than ten years ago — better fed and better clothed, despite high rates of inflation in some of the Asean countries.

As for MHT plans for further growth in business within Asean, we will continue to lend to our historic customers, correspondent banks and governments in the area.

MHT will also continue to finance industrial projects and trade on a direct and indirect basis as we have done increasingly over the past decade.

Future projects on the drawing board in Asean point to a tremendous need for capital in the years to come.

MHT should have plenty of opportunities to participate in providing funds to satisfy those needs and in offering financial advice and counseling. Imagination and innovative ideas on the part of financial institutions will be needed to bring various projects to fruition.

Peter Sura is senior vice-president of Manufacturers Hanover Trust Company (MHT) responsible for the bank's business in South and South-East Asia. This article is from *BYLINE*, a first-hand report for corporate management issued by MHT.

'INTERNATIONAL HERALD TRIBUNE' ENTERS ASIAN MARKET

Kuala Lumpur BUSINESS TIMES in English 23 Sep 80 p 6

[Article by Philip Bowring in Hongkong]

[Text]

LAST week the US-owned, Paris-based International Herald Tribune started facsimile printing via satellite in Hong Kong.

The event marks a new phase in the growing battle for readers and advertising revenue in Asia and the Pacific regions which have the world's highest economic growth rates and largest English-reading audiences outside Britain and North America.

The event also shows how a combination of satellites, multiple circuits and Opec oil price increases are altering the face of international publishing.

The Herald Tribune already has facsimile plants in London and Zurich. But this 10,000-mile leap to Hong Kong will land it in direct competition with the far older Hong Kong-based Asian Wall Street Journal, half brother of the US Wall Street Journal. The Asian Wall Street Journal was the first attempt to create a region-wide daily paper.

Meanwhile, periodicals as diverse as Business Week, The Economist, Newsweek and the Institutional Investor are starting or stepping up interest in the region.

The Herald Tribune is not just a publisher of a small but influential international newspaper. It is owned by three US media giants — Whitney Communications, the New York Times and the Washington Post.

At present the Wall Street Journal is the only national paper in the US, a leader in facsimile technology. It now prints in 14 locations and plans more. But as the Herald Tribune moves into competition with Dow Jones gentlemanly mutual esteem is giving way to sniping and aggravation.

The Herald Tribune has been bluntly told that AP-Dow Jones Economic News Service stories could not appear in Asia, as the Journal had a monopoly of AP-DJ in Asia. Sparks flew because the agency is half-owned by Associated Press, a non-profit cooperative owned by many US newspapers.

But the Journal is running to stay ahead. It has advanced its printing schedule by three hours to be on the streets of Hong Kong and on flights to other Asian cities at the same time as the Herald Tribune.

The Tribune and the Journal are very different products but will

be competing for both corporate advertising and top-of-the-market readers. The Journal started life as little more than a slimmed down version of the New York paper. But the owners were prepared to pump in more money, and change the formula. Asian reporting staff was tripled and it now gives priority to Asian news written by its own correspondents. Circulation, which at one time was under 10,000, is now 21,000.

The Herald Tribune has much the same target audience as the Asian Wall Street Journal, but it has no intention of trying to become an Asian paper. It will slightly increase its Asian coverage and reduce the European perspective. Its aim is to become more than ever international in circulation and content.

Critics suggest that the Herald Tribune may be trying to foist a mid-Atlantic product into an Asian market. It is gambling that there is an Asian market for an international paper — though it is not a big gamble.

The Herald Tribune says it will invest US\$3 million over two years, mostly on promotion.

Printing will be on the machines of Sally Aw Sian, a local Hong Kong Press baroness.

The main fixed cost is US\$200,000 for satellite receiving equipment. Satellite costs themselves will be only US\$20,000 a month thanks to the Hong Kong and French communications authorities which for the first time were willing to offer a non-tied high speed circuit. Printing the Herald will take only four hours a day.

As a result the Herald Tribune claims it can break even on circulation alone of 20,000, and perhaps even 10,000. Some media men are sceptical. They claim that the Herald Tribune has not fully appreciated the many problems — some of them political — and the heavy hidden costs of circulating a newspaper around Asia. Also, there

is plenty of daily newspaper competition.

Until the Financial Times started printing in Frankfurt, the Herald Tribune face relatively little English language competition in continental Europe, where its daily sale average about 70,000. But in Asia the Herald Tribune faces competition not only from the Asian Wall Street Journal. It faces the premier newspapers in Singapore, Malaysia, Hong Kong and the Philippines — all of which print in English. Thai-

land and Japan have respectable English dailies. All extensively use international wire services and quality syndicated articles from US and UK papers, including the New York Times and Washington Post, which form the backbone of the Herald Tribune's own contents.

The struggle for circulation and advertising revenue and the shortage of good editorial copy have heightened competitive awareness.

The largest correspondent network in Asia is that of the weekly Far Eastern Economic Review, which is 49 per cent owned by Dow Jones. Its staff have traditionally also written for other papers including the Financial Times, the New York Times, Business Week and The Economist. But recently they were all barred from regular outside work.

For Time and Newsweek, printing in Asia is old hat. But the circulation war between them has escalated. Time recently spent US\$2 million in equipment to transmit colour by satellite to Hong Kong where its 200,000-circulation Asian edition is printed. This has forced Newsweek — which comes from the same stable as the Washington Post and thus has an indirect link with the Herald Tribune — to invest in the same costly equipment. — FT

INTER-ASIAN AFFAIRS

ATTACK FEARED BY SRV: GOVERNMENT URGED TO TAKE ACTION

Bangkok SIAM RAT in Thai 13 Sep 80 p 5

[Editorial: "The Thing That the Government Must Do"]

[Text] The article "The Weaknesses That Must Be Quickly Overcome," which was published in yesterday's edition (12 September 1980), referred to the slanderous remarks of Mr Nguyen Co Thach, the Vietnamese minister of foreign affairs, who once said that "Thailand is afraid of its own shadow." Also, at the end of the article, things were summarized with the statement that the "government has taken action to 'erase' this slanderous statement."

It is good to hear that someone has tried to do this for the government. At the very least, one person, Colonel Prachak Sawangchit, the commander of the 2nd Regiment stationed at Prachinburi, told the "Thursday Group" at a meeting at the Ratchasuphamit Hotel that even though Vietnam seized control of Kampuchea, there is no need to fear that Vietnam will invade Thailand because Vietnam does not have an economic base. An invasion by Vietnam depends on other factors, or help from other countries. Thus the reports that Vietnam will invade Thailand cannot be true.

However, we must not become careless about this because there have been reports that Vietnam is now actively moving troops up to the Thai border. And there have been comments, of the "afraid of our own shadow" type, that Vietnam may take this opportunity to invade Thailand in order to gain the attention of the world community before the opening of the conference of the United Nations General Assembly to consider the matter of Kampuchea's seat, which is presently held by the Pol Pot government.

Such comments have made us feel uneasy because, besides the fact that they are rather improper comments, they cause Thais to suffer a great loss of morale.

Thus, we request that all news commentators please refrain from making any comments that are "in harmony with" the slanderous remarks of Mr Nguyen Co Thach.

It is a shame that, while Thailand has many television channels and a hundred radio stations, the government has never used this "mass media" to build up the morale of the Thai people in a positive way.

We believe that if the government is really interested in improving the morale of the Thai people, it can do so very easily because we have large numbers of high-quality "human resources" who will cooperate in carrying out such work. This does not mean letting one person say one thing and another person another thing, which sometimes leads to conflicts.

The government should even call on the newspapers, which are privately owned, to cooperate in "building up the morale" of the Thai people.

We have learned that the enemy spreads much "propaganda" in the struggle to gain the diplomatic, political and military advantage.

Why hasn't the government established a highly efficient "propaganda organization" to respond to them?

The government should not think that this is an "attack" on the activities of the government. We only want to "stimulate" the government to think about the things that must be done.

11943

CSO: 4207

INTER-ASIAN AFFAIRS

FOREIGN MINISTER: DACCA, DELHI DIFFERENCES NARROW

Dacca THE BANGLADESH TIMES in English 22 Aug 80 pp 1, 8

[Text] Foreign Minister Prof Shamsul Huq said on Thursday that his recent talks with Indian External Affairs Minister Mr Narasima Rao had helped narrow down difference on many bilateral problem between Bangladesh and India.

Answering questions at a Press conference the Foreign Minister said that both the countries had agreed to take steps to resolve existing problems peacefully between the two countries.

Prof Huq said that problems between the two countries which came up for discussions during Mr Rao's recent visit to Dacca were boundary agreement, South Talpatti Island, maritime boundary and sharing of the Ganges water.

He said that India was yet to ratify the boundary agreement signed between the two countries in 1974. It had become a source of continuing irritant.

He said that there was deadlock regarding fixation of maritime boundary. Now a time had been fixed to resume the discussions. Both the countries had also agreed to intensify effort of find solution to the Farakka problem, [as published]

Prof Huq said that the question of determining the ownership of the South Talpatti Island (Purbasha) was still under negotiation.

The Foreign Minister said that the commitment in his meeting with the Indian External Affairs Minister was to settle bilateral problems peacefully and at an early date.

Allegation Denied

The Foreign Minister denied allegation made by former Chief of Naval Staff and DCMLA Rear Admiral (Retd) M.H. Khan that Bangladesh had surrendered its claim on the South Talpatty Island. The matter was still under negotiations with the Indian Government he said.

In reply to a question Prof Huq said that during his talks with Mr Rao the situation arising out of communal disturbance in India came up for discussion. He, however said that it was an internal matter of India. The Indian Minister said that the Indian Government condemned such acts and would take steps to stop them.

MHK Refuted

BSS addai: Replying to a question Prof Huq refuted Admiral Khan's charge that the government had neglected taking up the issue with the Indian Government. He said that as Chief of Naval Staff, Admiral Khan sent a communication on the island first on December 30 1978 through the Defence Ministry. The communication was received by the Foreign Ministry on January 1, 1979 he said adding that an inter-ministerial meeting was convened next day (January 2) which was participated by Mr Khan himself. After that a series of meetings took place to study the matter and formulate Bangladesh's stand on the island he added.

The Foreign Minister said that the present government did not lose any time in taking up the matter with India as soon as it came to its knowledge. He said that the dispute over the islands was taken up at the highest level within four months when the then Indian Prime Minister Morarji Deesai visited Dacca in April 1978.

Prof Huq said that on the other hand Admiral Khan was the chief of Naval Staff since November 1973 and, also DCMLA since the end of 1975. But he (Mr Khan) never brought the matter to the notice of the Government till the end of 1978 though the British admiralty was informed by India as early as 1971 about the islands on the estuary of the border river Hariabhanaga.

Location

The Foreign Minister admitted that the letter of Admiral Khan contained the information about the location of the island. He added the letter said the Harja-bhanga river flowed through the west of the island and the location showed the island belonged to Bangladesh.

Prof Huq said that India was immediately informed about the Bangladesh position on the islands.

He added that during Prime Minister Morarji Deesai's visit the two sides agreed to hold a joint survey to establish the ownership of the islands claimed by both the countries.

Answering another question, Prof Huq also denied that the government was giving a very low priority to Law of the Sea conference as alleged by Admiral Khan.

The Foreign Minister said that Admiral Khan himself had attended the Law of the Sea conference twice and added there is no question of giving low importance to it.

CSO: 4220

TEXT OF PRESIDENT'S SPEECH TO GROUP OF 77

Dacca THE BANGLADESH OBSERVER in English 28 Aug 80 p 3

[Text] Following is the text of speech of President Ziaur Rahman at the meeting of the Group of 77 in New York on August 26.

Mr Chairman, Distinguished Delegates

I am indeed thankful to you Mr Chairman for having given me this opportunity of addressing the distinguished members of the Group of 77. The contribution of the Group of 77 since its formation some 15 years ago in safeguarding and advancing the interests of the developing countries in various international fora has been most valuable. The Group of 77 has played a key role at various UNCTAD meetings and the entire economic platform of the South in its dialogue with the North has been evolved within the framework of the Group of 77. The importance of the Group of 77 has been clearly demonstrated here in New York during the past twelve months, when this group, which represents the collective interests of all developing countries throughout the world, has been able to chalk out an agreed position on the Global Round of Negotiations and has also shown itself to be in agreement on the essential elements in the formulation of a New International Development Strategy for the eighties.

2. The success of the Group of 77 in effecting a restructuring of the international economic order and ensuring that the Global Round of Negotiations lead to positive results will depend on a number of factors. Most important among them is ability of the Group of 77 to remain united and to work in the common interest of all countries in the Group. The Group of 77 should be prepared to engage in a meaningful dialogue with the North. Experience has taught us that the negotiating process requires a judicious blend of patience skill and forcefulness: we should avoid a situation of confrontation; we should gear ourselves to the achievement of concrete results.

3. This morning I spoke at some length about the world economic situation and how desperate the situation was in the South, particularly among the Least Developed Countries. I spoke about global interdependence and the usefulness of the Brandt Commission's Report. I put forward some suggestions on how we might tackle the North-South problem and pointed out the dangers that lie ahead should we fail. It is not my intention to repeat myself, instead I would like to take this opportunity to share with you some thoughts on how best the members of the Group of 77

can strengthen their collective position and at the same time help each other to face the challenges that confront us.

4. The Group of 77 today is made up over 120 countries collectively our Group accounts for nearly 2/3rds of the world's population. This Group of 77 includes the 30 Least Developed Countries in the world, who economically lag far behind the other members of the Group. These Least Developed Countries have a per capita income below US \$300. Some of them have a per capita income of less than US \$100. The Group of 77 also includes the OPEC countries, who collectively had external assets close to 200 billion dollars at the end of 1978.

5. No one should underestimate the intrinsic strength of the Group of 77. We produce more than 3/4ths of the world's rubber, cocoa, coffee, jute, tin and a sizeable quantity of the world's tea, rice, bauxite, cotton, copper, phosphates and iron ore. Our global exports of manufactures was 42 billion dollars in 1976. Today the countries of the Group of 77 have built up a substantial export capability in electronics, machinery and transport equipment, chemicals, iron and steel products. The South today produces a wide range of products and can do so at competitive prices. We must, however, exploit the full potential available within the Third World so as to become more self-reliant and build up our economic strength. Economic cooperation among the developing countries is essential if we are to give any meaning to the world's unity and solidarity. At the same time, I think we all realise how much easier it would be to develop economic cooperation within our Group and to do so speedily if we had the benefit of sizeable investments in the Third World. This brings me to the role of OPEC in the establishment of a New International Economic Order and in promoting economic cooperation among developing countries.

OPEC

6. The Group of 77 and the Non-Aligned Movement have stood by the right of the OPEC countries to increase the price of oil and determine the quantum of production. At the same time, the OPEC countries have lent their full support to the position of the Group of 77 in North-South dialogue and in restructuring the New International Economic Order. The OPEC countries have also substantially increased their assistance to the nonoil exporting countries of the Group of 77. OPEC disbursements accounted for 28 per cent of the total ODA disbursements in 1977. While ODA as a share of GNP has been declining in the case of the OBOD countries and has in recent years averaged only 0.34 per cent, in the case of OPEC it has increased to 2.2 per cent. Moreover, whereas OBOD assistance is usually tied OPEC assistance is untied. OPEC's performance is all the more commendable for two reasons. Firstly oil is a nonrenewable resource. Secondly the increase in the price of oil has been more than off-set by the increase in the price of industrial goods imported by the OPEC countries.

7. Yet, in the midst of this commendable performance we find one glaring contradiction. Of the net external assets of OPEC countries estimated at 195 billion dollars by the end of 1978, over 80 per cent was invested in the developed countries. The developed countries showed themselves to be particularly sensitive to the placement and utilization of these funds, thus for example many Western countries placed restrictions on OPEC investment in industry. Consequently, most of

these surplus funds went into short-term financial instruments in the United States and in Europe. Recent studies have indicated that the average return on these investments was less than 5 per cent. In real terms the investment returns were negative and the OPEC capital stock has been depreciating in value. Apart from the very poor return on these funds recent events have underscored the need for OPEC countries to diversify their investment base so as to reduce their vulnerability and also earn much larger profits yielded by investments in developing countries.

8. The developing countries are today in a position to meet a substantial portion of the import requirements of OPEC countries. They also have the capacity to undertake a wide variety of projects, including construction projects and are in a position to provide both technicians and labour for such projects. The OPEC countries could also profitably invest in a variety of industrial ventures in developing countries, in a comprehensive commodities programme for the South, in programmes geared to increasing the Third World's food production and in the development exploitation of sources of energy in the developing countries.

9. I have spoken at some length about OPEC because I believe the economic and political future of the countries that make up the Group of 77 are inextricably linked to the manner in which the OPEC countries invest their surplus funds. I believe that it is in the common interest of the OPEC countries and the nonoil exporting countries of the Group of 77 to cooperate closely in the optimum utilization of these funds which will be crucial in both preserving the unity and enhancing the strength of the Group of 77.

LDC's and Group of 77

10. I would now like to say a few words about the Least Developed Countries and the special responsibility of the Group of 77 towards these countries. I have already spoken about the plight of the Least Developed Countries this morning and the sizeable gulf that exists between the Least Developed Countries and the rest of the Group of 77. I believe that the need for special attention and priority action in helping the Least Developed Countries is now widely appreciated by all countries both inside and outside the Group of 77. I would merely like to reiterate two points.

11. Firstly, that the continued support of the Group of 77 is of paramount importance in the successful implementation of both the Immediate Action Programme as well as the Substantial Programme of Action for the 1980's for the Least Developed Countries. I can assure you that the Least Developed Countries are appreciative of the support extended by the Group of 77 and are quite conscious of the fact that without this assistance the Least Developed Countries could not have secured approval for these two programmes at UNCTAD V in Manila. Moreover, I have no doubt in my mind that unless the Group of 77 as a whole exerts itself to the full, the North will not implement these two Action Programmes. There is above all a special responsibility on the Group of 77 to ensure that the benefits secured for the least Developed Countries are safeguarded; that there is no attempt to dilute the concessions by introducing extraneous considerations; that our energies are not dissipated by entering into contentious debate about criteria;

not should there be any attempt to erode the position of the Least Developed Countries by creating more and more groups with special benefits and concessions. Any such attempt is bound to be exploited by the North to the disadvantage of the Least Developed Countries. We should therefore, make a special effort to sustain a united front within the Group of 77.

12. Secondly, I would like to make it quite clear that I have stressed the need for special treatment to the Least Developed Countries lest the disparity between the countries of the Third World assumes the form and magnitude of the widening disparity between the developed and the developing countries. We are at one with the Group of 77 on the International Development Strategy, the Global Round of Negotiations and on the New International Economic Order as a whole. We believe in the unity of the Group of 77 and shall do our utmost in safeguarding and strengthening this unity.

13. In conclusion, I would like to make four specific proposals which I feel would greatly strengthen the position of the Group of 77 and would facilitate the dialogue between the North and the South.

Firstly, we should without any delay establish a Secretariat for the Group of 77 manned by a small but highly professional group of experts from the Third World. This secretariate would not only provide coordination and continuity but would develop negotiating positions, analyse the proposals of the North and present counterproposals, which have been well researched and documented.

Secondly, as a parallel action to establishing a Secretariat for the Group of 77, we should establish an Economic Research Institute for the South. Although a number of excellent research institutions exist in many of the Group of 77 countries the absence of a focal point has meant that the South has not been able to speak with a single voice a regional or national bias has frequently crept in. The Group of 77 research centre would be specifically linked to doing research work for the Group of 77, monitoring economic developments, collecting data and producing research papers. Perhaps one of the existing research centres in the developing world can assume this additional responsibility.

Thirdly, the Group of 77 should adopt a specific action programme to strengthen economic cooperation among developing countries and we should encourage the OPEC countries on the basis of mutual benefit to invest a portion of their surplus funds in some of these specific programmes as a part of the process of strengthening economic cooperation in the Third World as a whole we should make a special effort to strengthen regional and subregional cooperation in Africa, Asia and Latin America. [as published]

Fourthly, the Group of 77 should make a special effort to see that the two Action Programmes for the Least Developed Countries are implemented without delay. It should ensure that there is no dilution in either of these two programmes and that no extraneous issues are injected in the dialogue on this subject which will delay the process of implementation.

The Group of 77 stands at the vanguard in the struggle for a New International Economic Order; in the war against poverty and hunger in the fight for equality and dignity. Our strength lies in our unity and our shared belief in peace and justice for all mankind. We must succeed because we cannot afford to fail.
I thank you, Mr Chairman.

PRESIDENT WELCOMES MEMBERS OF MERGING PARTY

Dacca THE BANGLADESH TIMES in English 23 Aug 80 pp 1, 8

[Text] President Ziaur Rahman on Friday said that lakhs of Bangladeshis had made the supreme sacrifice during the War of Independence "not to have us become tail-enders of foreign powers."

President Zia, who is also the Chairman of the Bangladesh Nationalist Party (BNP), said that unlike the previous political governments BNP would not be guided by foreign ideologies, BNP, he said, had its own cardinal principle of Bangladeshi nationalism--a concept that drew its origin from the people of the land.

The President was addressing the members of the now-defunct Ganotantrik Oikka Shibir (GOS), at the Political and Social Training Centre of the BNP in the city.

Earlier, Mr Harunar Rashid, Convener of the GOS, read out to newsmen the declaration of the dissolution of the GOS and its complete merger with BNP.

The BNP Chairman welcomed the former GOS workers into BNP, saying "for each one of you there is a place of dignity inside the BNP."

The BNP chief told freshers into BNP that the party would engage the added strength to the cause of the welfare of the people right at their doorsteps in the villages and townships.

He called upon them to spread among the masses of people to inspire them with the ideals of Bangladeshi nationalism and to unite them.

President Zia declared that unlike previous party governments, BNP government would continue to work in the greater interests of the people and the nation. He recalled that past political governments had failed in discharging their responsibilities because they had been guided by foreign 'isms.'

BNP, on the other hand, had as its cardinal principle Bangladeshi nationalism--which had its origin in the midst of the people. He said, "lakhs had laid down their lives not to have us become tail-enders of foreign powers." He pointed out that there were many old political parties in the country, some as old as 80, 50 or 30 years--from whose activities the people had not benefitted in the least.

"Guided by alien ideologies as they were," the President went on, "these political parties had sold out the national interests to the foreigners."

President Zia declared: "No foreigners can help solve our problems. It is for ourselves to solve our own problems and with our own initiatives."

President Ziaur Rahman said that with the merger of the GOS with BNP it was once again proved that the ideal of Bangladeshi nationalism had appealed to the people "and that indeed the BNP would be able to unite the people on the basis of Bangladeshi nationalism."

Harunar Rashid

Earlier, while announcing the dissolution of the GOS, Mr Harunar Rashid said that his party had decided in favour of a merger in view of the fact that the policies of the BNP were "effective and most appropriate." He informed newsmen that the GOS leaders had carried out long discussions with the BNP leadership, particularly President Ziaur Rahman. The merger decision came at the latest meeting with BNP leadership on August 1, he said.

CSO: 4220

ZIA MESSAGE STRESSES SUPPORT FOR PALESTINE

Dacca THE BANGLADESH OBSERVER in English 22 Aug 80 pp 1, 8

[Text] President Ziaur Rahman on Thursday renewed Bangladesh's pledge to work unitedly with "our Palestinian brethren" and other Muslim countries in realising the liberation of the holy city of Al-Quds along with other occupied Arab territories and the restoration of legitimate national rights of the Palestinian people, reports BSS.

In a message on the occasion of issue of special postage stamps on the Jerusalem Day and Day of Solidarity with the Palestinian people on Thursday the President said that Bangladesh views the Palestinian issue as central to the Middle East problem and added that realisation of the above objectives was the two essential preconditions" for a just and durable solution of peace in the Middle East. [as published]

The President said: "It is indeed in keeping with our commitment to the cause of Jerusalem and Palestine that Bangladesh post office is issuing a commemorative postage stamp on the occasion of the Day of Jerusalem and the Day of Solidarity with the Palestinian people. This day is being observed throughout the Muslim world to expressed solidarity with the heroic people of Palestine in their just struggle for self-determination. On this historic occasion, we in Bangladesh wish to reiterate our total solidarity with our Palestinian brethren and call upon the peace-loving countries of the world to uphold the principles of justice and fair play so that the long sufferings and agonies of the Palestinians may end without further delay," he added.

President said: The Middle East situation poses today a serious threat to the world peace. The core of this problem is the Palestinian issue which started with the forcible eviction of the Palestinians from their ancestral homes in 1948. On this day, eleven years ago, the Masjidul Aqsa in the holy city of Jerusalem was desecrated by a wanton act of arson of the Zionist forces to the utter shock and dismay of the entire Muslim world. Historically it is a day of deep anguish and pain not only to us but to the whole humanity. We once again very strongly condemn this barbaric act of the Zionist regime, he added.

The President also said that the world is again shocked by the aggressive Israeli policies to forcibly change the historic demographic, cultural and religious character of the holy city of Jerusalem including the approval of a bill in the

Parliament of the so-called state of Israel declaring Jerusalem as "the eternal and undivided capital of Israel." This is illegal and immoral by any standard of international law and practice. The whole world views this illegal action as an outrageous and flagrant violation of the numerous resolutions adopted on the Palestine question in various international forums he observed.

He said "Bangladesh views the Palestinian issue as central to the Middle East problem on this solemn occasion I take the opportunity to reiterate our conviction that the liberation of the holy city of Al Quds along with other Arab territories and the restoration of the legitimate national rights of the Palestinians are two essential pre conditions for a just and durable peace in Middle East. I also renew our pledge to work unitedly with Palestinian brethren and other Muslim countries in realising these objectives. May Alimighty Allah grant us enough strength and courage to fulfill our mission based on the principles of freedom peace and Justice the President said.

CSO: 4220

PRESIDENT ADDRESSES HINDU COMMUNITY PARLEY

Dacca THE BANGLADESH OBSERVER in English 22 Aug 80 pp 1, 8

[Text] President Ziaur Rahman on Thursday urged the people, irrespective of caste, creed and religion, to be imbued with Bangladeshi nationalism and declared, "Everyone in this soil is equal and everyone is Bangladeshi having equal rights and privileges," reports BSS.

Addressing a grand conference of Hindu community of Bangladesh Nationalist Party (BNP) at the Shilpakala Academy in Dacca on Thursday evening the President called upon every citizen of the country to forget their past differences and be a vanguard of national independence and sovereignty.

The conference, attended by thousands of members of the Hindu community from all over the country, was inaugurated by BNP Secretary-General Prof A.Q.M. Badruddoza Chowdhury, on Thursday morning.

President Zia also said that Bangladeshi nationalism, which had originated from the soil of the country, was the only ideology accepted by the people. The people of Bangladesh, irrespective of caste, creed and religion, cannot accept any foreign-ideology as tried by certain political parties in the past, he said.

He called upon the members of the Hindu community to spread the message of Bangladeshi nationalism to every nook and corner of the country and forge an unflinching national unity under the banner of BNP.

Explaining the objectives of his party, the President, who is also the Chairman of BNP, said that his party does not have any faith in the difference of man and man "every one in Bangladesh Muslim, Hindu, Buddha, Christian are Bangladeshi and the citizens of this soil," he declared.

Terming the conference, as "historic," the President told the audience that it was the BNP which has united the people of the country under one banner and successfully leading the country to a greater national unity. "It was possible," he said, "due to the correct principles of the party."

Referring to the colonial subjugation during the last 200 years, the President said that the colonial regime did not spare any people whether he was Hindu or Muslim. They subjugated us en masse and now we must overcome the suppression unitedly, he observed.

Emphasising the need for upholding the spirit of Bangladeshi nationalism, the President told the conference that it was due to Bangladeshi Nationalism that Bangladesh, a newly independent country, has been able to identify her position in the world, during the last few years. He said, "If we are fully aware of the importance of Bangladeshi nationalism and remain united the country would be able to take her due place in the world body."

The President said further that it was due to Bangladeshi nationalism, the country is emerging towards peace progress and stability. He referred to the success of the peaceful revolution and called upon all to work unitedly for the success of other phases of the revolution.

Referring to some problems of Hindu community the President assured his audience that there would be a committee in the party to review the demands of the community. He said every country has its problems in the society and all these must be solved in due course.

In the committee the President said there will be member from the Hindu community and the party would give due attention to those problems and try to solve them accordingly. [as published]

CSO: 4220

CABINET APPROVES LAND ADMINISTRATION BOARD

Dacca THE BANGLADESH TIMES in English 23 Aug 80 p 1

[Text] The Government on Friday decided to establish a Board of Land Administration in the country says an official announcement in Dacca.

The decision was taken at a meeting of the Council of Ministers at Bangabhaban under the chairmanship of President Ziaur Rahman.

The Board will decide all appeals and revisions as the final authority against the orders of the Commissioners and Deputy Commissioners relating to land administration matters under different laws. Relief against the decision of the Board shall lie in the Supreme Court.

The Board will supervise land administration offices in the field for ensuring proper implementation of Government policies, laws and instructions on land administration and land reforms.

The establishment of the Board will help remove the vacuum created by the abolition of the erstwhile Board of Revenue in the supervisory hierarchy of land revenue administration and the quasi-judicial work.

Mass Literacy Campaign

The Council reviewed the progress of mass literacy campaign in the country. Considering the gigantic task of mobilising the people and close supervision needed for its success, it assigned specific areas to the Ministers. The Ministers will undertake visits to the assigned areas, supervise the progress and assign tasks to the Government officials and the political leaders for mobilising the people and organising them for effective implementation of the mass literacy campaign throughout the country.

CSO: 4220

COUNTRY'S FOREIGN TRADE POSITION EXAMINED

Dacca THE BANGLADESH OBSERVER in English 22, 23 Aug 80

[Article by Prof Shamsul Huda: "Import-Export Gap: How To Reduce It?"]

[22 Aug 80, p 5]

[Text] The foreign trade of Bangladesh has been under pressure due to interplay of various forces. The value of imports and exports during 1979-80 has been estimated at Tk 3,960.00 crore and Tk 1,216.25 crores respectively. The balance of trade stands unfavorable during the year to the extent of Tk 2,743.75 crore. According to the Bangladesh Economic Survey (1979-80) the indices of import prices went up from 100 in 1972-73 to 318.30 in 1979-80 as against 208.30 and 244.00 in 1977-78 and 1978-79 respectively. The export price indices went up from 100 in 1972-73 155.10 in 1977-78, 199.60 in 1978-79 and 235.50 in 1979-80. The terms of trade has thus gone down to 74.00 in 1979-80 as compared to 74.50 in 1977-78 and 81.80 in 1978-79.

Moreover, the gap between export target and actual earnings highlights the export trade. Had not there been relative rise in export prices, it would have been impossible to realise the export earnings target.

The following table will show the projected quantity and value and the actuals in quantity and value in 1979-80:

Original Target and Actual Earnings

Commodities	Target for 1979-80		(Value in crore Taka)	
	Quantity	Value	Actual earnings	Value
1. Jute goods	5.25 lakh tons	449.00	4.53 lakh tons	602.96
2. Raw Jute	25.00 "	242.00	19.90 "	216.75
3. Tea	7.50 crore lbs	77.50	5.52 crore lbs	54.56
4. Leather, hides & skins		120.50		122.00
5. Fish & fish Preparation		95.50		73.00
6. Paper and Newsprint:				
paper 12,000 tons	25,000 tons		21,000	16.03
Newspring		10.00		2.00
7. Spices		20.00		100.00
8. Naptha and furnace oil		61.35		28.95
9. Others				
Total		1,100.00		1,216.25

N.B.: Exports earnings include July-March estimate for 1979-80.

Because of a relative rise in export prices of certain items particularly of jute goods, naptha and furnace oil overall export earnings have increased but in majority of export items the quantitative target could not be reached.

It is however true that exports during the last few years had been high but imports had been higher. The following table is indicative of the trend:

Export, Import and Balance of Trade

Year	Export	(Value in crore Taka)	
		Import	Balance
1973-74	298.33	732.00	(-) 433.67
1974-75	313.58	1,084.23	(-) 770.65
1975-76	355.17	1,470.32	(-) 915.15
1976-77	667.01	1,399.29	(-) 732.28
1977-78	740.61	1,821.62	(-) 1,081.01
1978-79	928.22	2,172.66	(-) 1,244.44
1979-80	1,216.25	3,960.00	(-) 2,743.75

In view of the country's low export earning and high import payment Government has, of course, been careful in its external debt policy. In keeping with this policy any fund carrying an interest charge of more than five per cent is considered to be hard loan. Such a careful policy is dictated by the need for large flow of funds and ensuring that debt servicing liability on all overall basis does not exceed 18-20 per cent of annual export earnings. The burden of debt servicing has also been increasing with the increase in internal debts. The debt-service ratio which was 4.69 per cent of the total export earnings in 1973-74 rose to 18.80 per cent in 1974-75. The ratio fell to 11.85 per cent in 1976-77 and rose again to 14.40 per cent in 1978-79. The debt-payment ratio has been estimated at 15.48 per cent in 1979-80.

The following table will give a picture of the increasing debt-servicing position of the country in both foreign exchange and local currency:

Debt Service of Bangladesh (Million U.S. Dollars)

A. In foreign exchange:	Interest Commitment	Principal and Down-payments	Total
1973-74	8.50	9.00	17.50
1974-75	11.32	52.32	63.64
1975-76	18.29	30.78	49.07
1976-77	26.32	15.86	42.18
1977-78	29.88	23.79	53.67
1978-79	37.50	29.70	67.20
1979-80	40.60	35.30	75.90
Total foreign exchange	172.41	196.75	369.16

B. In Local Currency

1973-74
1974-75	1.75	5.49	7.23
1975-76	1.62	5.93	6.55
1976-77	1.38	6.44	6.55
1977-78	0.88	10.45	11.33
1978-79	1.90	19.90	21.80
1979-80	1.50	19.90	21.40
Total Local Currency	9.02	67.11	76.13

[23 Aug 80, pp 5,6]

[Text] In the context of the projection of import requirements and export earnings in the draft Second Plan the debt-service ratio is likely to further escalate. Total merchandise imports (at 1979-80 c.i.f. prices) are estimated to cost Tk 23,445 crore in five years of the plan: import bill to rise to Tk. 5,496 crore in 1984-85, terminal year of the plan, from Tk 3,924 crore in 1979-80. The value of foodgrain import is estimated at Tk 1,846 crore or eight per cent of total merchandise imports. Of the non food grain imports, intermediate goods will comprise roughly 48 per cent, capital goods 38 per cent and consumer goods 14 per cent. During the Second Plan period, merchandise imports in real terms are expected to grow at an annual rate of 6.9 per cent. Value of merchandise exports is projected to increase to Tk 1717 crore (at 1979-80 f.o.b. prices) in 1984-85 from an estimated level of Tk 1234 crore in 1979-80.

The growth target of exports is modest. As has been stressed in a few seminars by the State Minister for Commerce Mr Chowdhury Tahbir Ahmed Siddiky the export target should be raised to Tk 5000 crore in the terminal year of the plan. If we are to reduce the import-export gap, realisation of this ambitious export target is essential. Import bill, according to draft Second Plan will rise to Tk 5496 crore in the terminal year of the plan. Import bill may, however, be further inflated because of the fuel (oil) price hike and global inflation.

Implementation of Tk 5000 crore export target will be very hard to attain if the present sluggishness in reaching the quantity and value wise export target continues.

In order to achieve a breakthrough the gap between original quantitative and value target has not only to be removed the target has also to be substantially raised and fulfilled: otherwise the country will face a large foreign exchange gap of Tk 14,200 crore.

Achievement of an ambitious export target will require well coordinated investment and production programme for creating exportable surplus, appropriate price and marketing policies, product development and market diversification. Here it should be mentioned that export policy regarding daily necessities produced and consumed in the country should be very carefully formulated. Without ascertaining comfortable surplus its export may bring miseries for the consumers. In the past it had been seen that erroneous export of certain daily necessities like spices etc, had forced import of these items under Wage Earner Scheme.

Exportable surplus, on the other hand, must necessarily be coupled with sound marketing policies. It is our sad experience that though there has been comfortable exportable surplus of raw jute, it has been facing serious problem of disposal in the export market. Keeping pace with the international market trend the surplus problem has to be tackled through appropriate price and buffer stock policies.

Growth of exports will also depend on the availability of adequate export services. It will require a fast, efficient and extended shipping and port services for linking producing areas to export points. Cold storage facilities and refrigerated vans for export of perishable products must also develop concurrently.

In this connection the recommendations contained in the draft Second Plan need active consideration of the Government. To promote the growth of exports it will be necessary to pursue a flexible exchange rate policy for both traditional and non-traditional items. A reasonable rate of exchange should be maintained in line with the domestic rate of inflation vis a vis the rate of inflation in the major trading countries.

Indirect subsidies now being given to the exports in terms of concessional rate of interest, Export Performance Licence (XPL) and tax rebates, should be reviewed in the light of their effects on export expansion. There is need to rationalize the XPL system in order to introduce entitlement rates primarily on considerations like net foreign exchange earning, labour intensive production, use of indigenous raw materials and contribution to export diversification. The working of duty drawback scheme needs a good deal of simplification and speedy processing of documents in the reimbursement of duties and taxes.

Public sector corporations and enterprises handle a major part of the manufactured export but it is accused to be insensitive to price and market advantages or at best respond sluggishly to development in world markets. Improvement in management of public enterprise with definite export responsibility will contribute in an important way to the achievement of export targets. Performance of public sector agencies should be periodically reviewed in terms of fulfillment of export targets. Most of the private exporters have limited financial resources and overseas contact. To improve private sector's role in export trade, Government support to potential exporters will be needed not only in the form of bank credit but also technical knowhow in marketing, product development and quality control.

Recently there had been reports of complaints from foreign buyers regarding some of our non-traditional exports like shrimps etc. This requires very honest and strict preshipment inspection. Any irregularity in this regard should be severely dealt with in the greater interest of the country.

The export sector now contributes about 8 per cent to the country's Gross Domestic Product. The following inter-country comparison of Bangladesh with some of the countries in the Asian region shows that Bangladesh's share of export in G.D.P. is low and needs to be increased. This limited impact has been partly due to the import-substitution character of the country's industrial structure and the lack of adequate investment in export-oriented production.

Export Markets

Asian countries are the largest buyers of our products now. European Common Market countries are the second largest buyers. In 1978-79 financial year it appears from the regional export statistics of Bangladesh that from the export earning point of view our largest buyers regions are as follows:

Area/Region	In Crore Taka	Percentage
1. Asian countries (West Asian countries including Iran)	268.67 (70.07)	28.94 (7.55)
2. European Common market countries	206.52	22.25
3. American countries (The countries of American continent)	148.56	16.00
4. The countries of Africa (African countries)	141.06	15.20
5. The East European countries including Soviet Russia	119.52	12.88
6. Other regions	43.89	4.73

In 1978-79 financial year, the first ten buyers countries of our export products according to the countrywise description are:

Country	1978-79	1977-78	(in crore taka)		
			change	Percentage change	
1. U.S.A.	124.82	97.37	(+) 27.45	28.19	
2. U.K.	68.57	61.47	(+) 7.10	11.55	
3. Italy	65.12	27.86	(+) 37.26	133.74	
4. U.S.S.R.	64.54	47.76	(+) 16.78	35.13	
5. Pakistan	60.61	72.98	(-) 12.37	(-) 16.95	
6. Japan	49.87	22.70	(+) 27.17	119.69	
7. People's Republic of China	42.88	28.36	(+) 14.52	51.20	
8. Egypt	39.26	25.92	(+) 13.34	51.47	
9. Mozambique	31.37	31.27	(+) 0.10	0.32	
10. Sudan	27.84	25.63	(+) 2.21	8.62	

Saudi Arabia and the Gulf States are major importers of fresh fruits and vegetables and that imports are expected to grow even faster in the future. [as published] This suggests that production should be planned and implemented on the basis of commercially organised farms, operating as factories which can provide large regular quantities at standardised qualities with precise delivery schedules. Bay fishing of shrimps and fish is expected to provide the major thrust for the high export growth projections for marine products. Besides, leather, newsprint and paper products and ready-made garments have the potential of emerging as the major export items of Bangladesh.

The Export Promotion Bureau has to formulate medium and long-term ambitious export growth strategies and action programmes. Export development programme, selection of new products for export, appropriate import substitutions, more active role of the

public and private sectors and promotion of investment into export oriented ventures should be included in the action programme. Government will have to see that conditions of foreign aid for our projects do not hinder our import substitution industries. There should not be any such condition that the aided projects will be required to use the products of the aid-giving country or the products of the firms as desired by the aid-giving country or agency.

It should be mentioned in this connection that at present recession is prevailing in the world market, particularly in the industrially developed countries. Hence exporters would be required to embark on a much more aggressive and vigorous salesmanship than ever before.

One very significant point that deserves special mention is that in order to reduce the import-export gap imports have to be restricted, as far as possible to development requirements and maximum utilisation of our natural gas as fuel for running our industries has to be ensured. Imported food and oil consume a big chunk of our hard earned foreign exchange and this may neutralise the effect of the rise in export earnings.

CSO: 4220

RELATIONS WITH INDONESIA EXAMINED

Dacca THE BANGLADESH OBSERVER in English 20 Aug 80 p 5

[Article by M. Rahman: "Cooperation and Bilateral Relations"]

[Text] Bangladesh and Indonesia are two Asian sister countries. There have been good cordial relations between these two Asian sisters. Geographically these two countries are separated by thousands of miles but they have much in common: history and religion, culture and tradition. This uniformity has brought them closer and has placed the friendship between them on a firm footing. Both the countries had been victims to colonial exploitation and have achieved their independence through hard struggle with immense sacrifices.

The situation of Bangladesh geographically makes the prospects of active cooperation between the two countries really promising. Bangladesh is a 'natural bridge' between South and the South East Asia. The geographical proximity coupled with the cultural and religious affinities and an abiding interest in regional peace constitute a catalyst for cementing existing bilateral relations.

Both Bangladesh and Indonesia follow the policies based on the principle of non-alignment, development of relations with other countries on the principles of mutual respect for sovereignty and territorial integrity and noninterference in each other's affairs.

To contribute in implementing an order in the world which is based upon independence, abiding peace and social justice is among the aspects of Indonesia's foreign policy. It also aims at increasing the role of Indonesia in the international world within the context of fostering and increasing friendship and cooperation mutually beneficial among nations, strengthening solidarity, unity and economic cooperation among other developing nations in order to accelerate the realisation of a New International Economic Order.

Both Bangladesh and Indonesia are developing nations and both hold similar views on many of the international issues and work closely in various international fields. Both the countries have consistently expressed solidarity with the Third World and reiterated full support for the establishment based on justice and equity. The concern of both the countries for the establishment of peace in the Indian Ocean is also well known.

The two countries are making efforts to bring about meaningful socioeconomic transformation aimed at the total welfare of their two peoples and these efforts bind them together. There have been exchange of visits of Foreign Ministers of the two countries since the birth of Bangladesh.

There have been remarkable promotion of relations between the two countries. The visits of two separate press delegations from Bangladesh to Indonesia in January 1978 and in May 1979. Indonesian journalist (columnist of *INDONESIAN TIMES*) and a lady journalist (correspondent of *SINAR HARAPAN*) to Bangladesh in June 1977 and September 1979 bear testimony to it. An agreement on news exchange between BSS and ANTARA NEWS AGENCY was signed in Jakarta during the visit of Bangladesh Press delegation to Indonesia in 1978. A 2-member industrial delegation from Indonesia visited Bangladesh in October 1979 to explore avenues for further cooperation between the two countries in the industrial sector. Another 6 member trade delegation from Indonesia visited Bangladesh in the same month.

The 3-day state visit of President Ziaur Rahman to Indonesia in July 1978 brought about better understanding and closer ties between the two countries.

There is bright prospect for the growth of trade and economic relations between the two countries. The relations are becoming closer day by day. Even before signing the formal trade agreement, the commodities were exchanged at private traders' level on cash payment basis through easily convertible currency. After much examination of the feasibility of trade prospects, a first-ever trade agreement for one year was signed on 29.7.78 between the two countries during the visit of President Ziaur Rahman to Indonesia. It provides "most favoured nation" treatment to merchant vessels and its ports for promotion of trade and economic cooperation. The agreement has provision for automatic renewal for one more year unless both the countries terminate it but such termination is to be preceded by prior notice.

Under the agreement, Indonesia is supplying cement and cement clinker and fertilizer to Bangladesh. She has agreed to supply 250,000 tons of cement to Bangladesh by June 1980. On the other hand, Bangladesh is supplying one million jute bags under the contract signed recently. Besides this agreement, Indonesia has also provided 20,000 tons of high speed diesel in March 1979 to Bangladesh. Indonesia also supplies 4,000 barrel crude oil a day. She can supply tyre and tubes for vehicles, C.I. sheet coconut oil etc. while Bangladesh can supply raw-jute, jute-yarn, news print, etc.

By November 1979, President Soeharto paid a state visit to Bangladesh. At that time, the Technical Cooperation Agreement as well as Education and Cultural Cooperation agreement between Indonesia and Bangladesh was concluded.

In the meantime, another agreement was signed in Jakarta in January 1980 regarding the Family Planning Cooperation of which Indonesia would train 300 family planning officials of Bangladesh.

In the field of economic cooperation, there is also good prospect for undertaking joint venture projects between the two countries. Both the countries could

undertake jute and jute-carpet manufacturing projects and petrochemical industries based on natural gas. Discussions in this regard was held in the past and some progress has been observed. [as published]

Indonesia and Bangladesh also signed the agreed Minutes on the job training of Bangladesh officials in mining and oil engineering in Indonesia.

The social-cultural relations between the two countries are also steadily growing.

CSO: 4220

BORDER AGREEMENT WITH BURMA INITIALLED BY BOTH GOVERNMENTS

Dacca THE BANGLADESH TIMES in English 25 Aug 80 pp 1, 8

[Text] Bangladesh and Burma on Sunday morning initialled an agreement laying the ground rules for the borders between the two countries, reports BSS.

Foreign Secretary Mr S.A.M.S. Kibria and the Burmese Deputy Foreign Minister Mr Tin Ohn initialled the border ground rules agreement on behalf of their respective governments at the State Guest House.

The agreement will later be signed by the Home Ministers of the two countries, after approval by the two governments.

Bangladesh and Burma have a common border of about 153 miles.

The Home Secretary Mr M.M. Zaman and the Burmese Ambassador in Bangladesh Mr Thein Win were present at the initialling ceremony.

After initialling the agreement Mr Tin Ohn told newsmen, "I have been waiting for this moment for two years."

The Burmese Deputy Foreign Minister expressed his thanks for the spirit of cooperation, accommodation and friendship demonstrated by Bangladesh.

Mr Kibria described the signing of the draft agreement as part of a series of steps that "we are taking to ensure a common border of peace and friendship."

The Foreign Secretary said that the agreement once again demonstrated a spirit of mutual trust, accommodation and understanding that exist between the leaders of Burma and Bangladesh, the two governments and the two peoples.

Mr Kibria described the agreement to be in the best tradition of cooperation between the two countries. He expressed his thanks to the Burmese Deputy Foreign Minister for the understanding and the spirit of cooperation and goodwill demonstrated throughout the discussions leading to the initialling of the agreement.

The agreement was finalised at the talks held between the Burmese Deputy Foreign Minister and the Bangladesh Foreign Secretary held in Dacca on August 22.

Mr Tin Ohn came in Dacca leading a six member delegation for the talks and initialling the agreement.

Before leaving for home Mr Tin Ohn said that the spirit of cooperation demonstrated by the two nations in the conclusion of the agreement "will always be there and inspire future cooperation and subsequent steps" to be taken by the two neighbours in strengthening their "very excellent" relations.

The eleven-member Bangladesh delegation during the talks was led by the Foreign Secretary Mr Kibria and included Mr M.M. Zaman, the Home Secretary, Mr A.H.S. Ataul Karim, the Additional Foreign Secretary, Major General Atiqur Rahman Director, General BDR, Mr Nasimuddin Ahmed Joint Secretary, Ministry of Home, Mr Renz Rahman, Director General, Foreign Office Mr N.Z. Chowdhury Joint Secretary, Ministry of Law, Mr S. Murshed, Legal Adviser, Foreign Office, Mr Noor Hussain, Director Foreign Office, and Col Wazir Ahmed Chowdhury Director BDR.

The Burmese delegation led by Deputy Foreign Minister Mr Tin Ohn, included Mr Soe Myint, Director General Immigration and Manpower, Mr Myo Htun Lyn, Director General Central Law Office, Mr Tin Tun, Director General Mr Ohn Gyaw, Director, and Mr Nyunt Mr Gu Shein, Assistant Director of Foreign Affairs Ministry.

CSO: 4220

PLAN STRESS OF RURAL AREA DEVELOPMENT LAUDED

Dacca THE BANGLADESH OBSERVER in English 21 Aug 80 p 5

[Editorial: "Development of Tribal Areas"]

[Text] The major thrust of the Second Five-Year Plan is on a significant reduction of poverty through balanced development of the country and a more equitable distribution of income, resources and opportunities for better social justice. The primary lacuna in the development concept and modus operandi has long been the comparative neglect of the backward areas. But over the past few years the realisation has been sharp on the part of the government that this was wrong as a philosophy of development.

This realisation has resulted in a positive swing of the development strategy in favour of rural as well as backward areas, including the tribal areas. That the government is prepared to extend all efforts was stressed by President Ziaur Rahman during his visit Tuesday to the Sajek Valley, country's most inaccessible area in the north-east of the Chittagong Hill Tracts. The tribal village of Sajek is isolated from the rest of the country because of extremely bad communication. The President assured that the government was determined to change the condition of the people of the area within the shortest possible time. It is heartening that Taka one crore had already been sanctioned to link Sajek with Dighinala. The construction work of the road is in progress. The President also announced that electricity and power pumps would be provided to the area to boost farm output. In the near future a runway would be built at Sajek to provide air service facilities to the people. The President also ordered construction of a small hospital at the place.

There are eleven subprojects in the Chittagong Hill Tracts multi-purpose development projects under the Annual Development Programme for 1980-81. These projects will be financed by the Asian Development Bank. Development of agriculture, cottage and rural industries, afforestation and rehabilitation and health care are included in these projects. With the completion of these projects the infrastructure for further development of the Chittagong Hill Tracts would be laid and this would facilitate the realisation of the development strategy and self-reliance movement of the government.

Backward areas, inter alia, include also the coastal, hilly and the relatively less reclaimed areas of the country and their locations are also well-identified

in the eastern, northern and south-eastern regions. Not only has this aspect of development been receiving accent in President Ziaur Rahman's public addresses, but has also been practically demonstrated in the number of development programmes already being worked out in some of these areas together with the results achieved. Incidentally, if rural areas are generally to be designated as backward, then of course both the idea and the activity suggested by it must cover about 90 percent of the country.

An important objective of the development strategy is to create optimum possible employment opportunities. Development of agriculture and rural industries is an obvious way of attaining this goal. In general these industries will be more labour intensive than otherwise. But along with the number, the productivity aspect of employment will require serious attention as reward of labour depends on it. The technological improvement of cottage and small industries along with agriculture is thus a necessary condition for the success of the rural development strategy of the Second Five-Year Plan.

Development of both rural and identified backward areas must depend on both the ideas of local leadership and cooperative spirit being translated into action. Local leadership provided by the union parishads, gram sarkars and the cooperative societies which are yet to reach the optimum in their working potentials and results are the central factors in this process of development.

CSO: 4220

PETROLEUM MINISTER DEFENDS GAS EXPORT PLANS

Dacca THE BANGLADESH OBSERVER in English 22 Aug 80 pp 1, 8

[Text] The proven gas reserve in the country can meet the home demand for the next 70 years at the present level of consumption and for 30 years if the consumption rate increases by 10 per cent annually.

This was revealed at a meeting of the cross section of people which included political leaders and experts, held in Dacca on Wednesday.

The meeting was addressed by Mr Akbar Hussain, Minister for Petroleum and Natural Resources and experts of the Ministry.

Among those who attended the meeting were Mr Ataur Rahman Khan, Maulana Abdur Rahim, Prof Muzaffar Ahmed, Mr A.S.M. Solaiman, Mr A.S.M. Abdur Rab Mr Shahjahan Siraj, Mr Rashed Khan Menon, Mr Haider Akbar Khan Rano, and Mr Abdul Mannan Bhuiyan.

Among the experts present at the meeting were Prof Harunur Rashid, Prof Mohtasham Hussain, Prof. A.K.M. Siddique, Prof. S.Z. Haider from Dacca university and Prof Nuruddin from Engineering University.

Explaining the proposed gas deal with India, Mr Akbar Hussain said it would be purely on a commercial basis. He said India and Bangladesh are trading various other commodities.

The pros and cons of the proposed deal was debated informally at a great length. The Minister categorically asserted that gas deal with India would not jeopardise any national interest. The political leaders suggested better utilisation of gas reserve internally. Mr Akbar Hussain appreciated the suggestion made by the Opposition leaders but said paucity of funds deters greater utilisation of gas. The export price to India will always be equivalent to the current international oil price the Minister said.

The export of gas to India would cut down our oil import bill to the same extent. The additional advantage to the export of gas to India would be the construction of the distribution line to the northern part of the country.

According to preliminary discussion with the Government of India Bangladesh would export one trillion CFT gas over a period of 15 to 20 years which is one tenth of the proven gas reserve in the country.

The seismic and geological survey indicate that there was a bright prospect of the country having a gas reserve ranging from 20 to 30 trillion CFT.

The experts and officials who addressed the meeting comprised Mr Sirajul Majid Mamun, Mr Guha and Dr Maruf Khan.

The expansion of the use of gas at the desired level is not possible at the moment due to nonavailability of funds and a lack of keenness among the foreign investors. For instance an international financing agency had agreed to finance the construction of the distribution line from Bakhirabad to Chittagong but it is yet to be materialised. The cost of the construction of the distribution line would be to the tune of Tk 200 crore.

The Minister said the Government has taken in hand a scheme to transform diesel operated transport into gas run vehicles. This would save 90,000 tons diesel. A scheme is also underway to distribute gas to tea gardens. This would require a sum of Tk 130 crore.

All these would indicate that expansion of the use of gas would require a huge amount of cash which we don't have at present.

CSO: 4220

MORE PARTIES OPPOSE GAS SALES TO INDIA

Dacca THE BANGLADESH OBSERVER in English 21 Aug 80 pp 1, 8

[Text] Eleven leaders of 11 different political parties in a joint statement on Wednesday urged the Government to immediately cancel the decision to export gas to India and take effective steps to set up a petro-chemical complex for the utilisation of gas.

The leaders said that the people would resist even at the cost of blood the move to export gas to India through pipeline. [as published] They urged the country men from all shades of opinion to build up a national resistance in this regard.

The leaders expressed the view that gas export to India would not only destroy our economy but also strengthen the Indian aggressive designs against our sovereignty and independence. They deplored that despite protests the Government decided to export gas to India.

The signatories to the statement are: Mr Ataur Rahman Khan, President of Jatiya League, Moulana Abdur Rahim, Chairman of Islamic Democratic League, Mr Shamsul Huda, Chairman of Gano Muslim League, Mr Nurur Rahman, President of National Awami Party (N-7) Mr Tofazzal Ali, President of Muslim League (T. Ali), Mrs Amina Begum, Convener of Jatiya Dal, Mr Farmanullah Khan, Covener of Bangladesh Islamic Party, Shah Moazzem Hossain, General Secretary of Democratic League, Mr Gamiruddin Pradhan, General Secretary of Muslim League (Siddiki), Mr Mostafa Jamal Haider, General Secretary of United Peoples Party and Mr A.S.M. Solaiman, President of Krishak Sramik Party.

The United Peoples Party will finalise its programme for the movement against gas export to India at its workers conference on August 24 in Dacca, says a Press release. The representatives of all district units have been requested to attend the conference.

CSO: 4220

GOVERNMENT ANNOUNCES 1980-81 SUGAR POLICY

Dacca THE BANGLADESH OBSERVER in English 28 Aug 80 pp 1, 8

[Text] The Government has announced the sugar and sugarcane policy for 1980-81. The policy has been formulated to protect the interest of the growers and achieve self-sufficiency in sugar production. The target of production for the next crushing season beginning November 1980, has been set at 1,55,000 tons which would meet the total consumption needs of the country, according to an official announcement in Dacca on Wednesday.

The total acreage under sugar cane cultivation in the sugar mills zones area has been raised to 1,91,000 acres as against 1,58,000 acres in 1979-80. This increased acreage and the better condition of the crop compared to last year will help achieve the higher target set for 1980-81.

The Government has also reviewed the question of a fair rate of return to the sugarcane growers for the cane supplied to the sugar mills. Considering all factors, including the economics of the other competing crops, it has been decided that the sugar mills should purchase canes from the farmers during 80-81 season at Taka 15 per maund both at the mill gate and the cane purchasing centres. From February 15, 1981, however, an increase of 75 paisa per maund per fortnight would be allowed to ensure continuing supply of cane to the sugar mills. It may be recalled that during 79-80 the purchase price of cane by the sugar mills were Taka 12 at the cane purchasing centres and taka 12.50 at the mills gate and the incremental rate after February 15 for each fortnight was 50 paisa.

It has, further, been decided that during 80-81 crushing season the enforcement of the Gur Control Order of 1956 would remain suspended. It is hoped that the sugar mills would be able to draw cane from the farmers by virtue of the attractive price that will be offered to the growers and the farmers in the sugar mill zones would not resort to gur making in their own interest of ensuring adequate sugar production.

The development of road network in the sugarcane zones will be greatly accelerated providing better and improved facilities to the farmers for movement and carrying of canes for delivery to the mills.

The Government will, in addition to the production loan, give standing crop loan introduced last year to the subsistence farmers (holding below 5 acres) in the

sugar cane zones. In order to ensure full realisation of the dues, provisions of the Public Demands Recovery Act would be applied for which necessary amendment to the Act will be introduced.

It is with the intention of making the country self-sufficient in sugar production and ensure availability of raw materials for other down-stream industries like paper distillery that the Government has evolved this year's Sugar Policy. The higher return for the cane growers and the other significant changes introduced for the first time, will ensure adequate supply of canes to the sugar mills to enable them to run to optimum capacity thereby contributing to the economy prosperity and welfare of the people of that region.

CSO: 4220

DACCA ASKED TO SET JUTE PRICE MINIMUM

Dacca THE BANGLADESH OBSERVER in English 21 Aug 80 pp 1, 8

[Text] The Jatiya Samajtantrik Dal (JSD) on Wednesday demanded fixation of statutory minimum price of raw jute and urged the Government to purchase raw jute at fixed price directly from growers, reports BSS.

The executive committee of the party on a resolution in its meeting on Wednesday blamed the Government's failure of fix minimum price as the reason for extremely low price of raw jute in the internal market. [as published]

It has also held the wrong policies of the Government responsible for decrease of demand for Bangladeshi jute in the international market. In this context, the JSD demanded of the government to take immediate measures for planned jute cultivation policy as well as steps for increasing export of jute in foreign countries.

In another resolution, the JSD demanded announcement of flood affected Tangail, Rajshahi, Kushtia, Rangpur, Pabna Faridpur and Dacca districts as "distressed area" while expressing concern over the plight of flood affected people, the party called for all party relief operations by all progressive and democratic parties groups relief organisations and individuals.

The JSD has, however, formed a Central Relief Committee headed by Mr Shahjahan Siraj, MP and asked party units in the affected districts to conduct relief activities. The Central Committee and unit committees of the party would collect relief materials and ensure their proper distribution.

The committee also condemned the communal violence in various parts of India including Moradabad and urged the Indian progressive and democratic forces to resist the communal violence. The resolution also urged the peaceloving people of Bangladesh to maintain communal harmony in the face of provocations.

The JSD also termed the move to sell gas to India as opposed to national interest and condemned the Government for taking the initiative.

Terming Indian attitude towards the newly emerged island issue as "imperialist and expansionist" design. The JSD demanded to free the island from Indian occupation as a pre-condition for future talks on the issue.

The committee also condemned Israeli move for annexation of Jerusalem as their capital and expressed solidarity with the struggle for liberation of Jerusalem and Palestinian self-determination.

According to a Press release of the party, Major (Rtd) M. A. Jalil, President of the Party presided over the meeting.

CSO: 4220

BAY OF BENGAL SEMINAR TO BE HELD IN DECEMBER

Dacca THE BANGLADESH TIMES in English 20 Aug 80 p 8

[Text] The National Oceanographic and Maritime Institute (NCMI) has decided to hold a seminar on the Bay of Bengal--the window to survival--in December this year. [as published]

Announcing the decision at a conference at the National Press Club on Tuesday, Chairman of the Institute, Rear Admiral (Retd) M. H. Khan, former Deputy Chief Martial Law Administrator and Chief of Naval Staff, said that the Institute was sponsoring the seminar to create awareness among the people on the importance of Bay of Bengal for the economic development of the country and focus its potential.

The seminar is likely to be divided into four sessions and discuss major disciplines like marine geology, coastal morphology, land reclamation, land accretion, hydrography and survey, meteorology astronomy marine biology, marine resources technology, maritime transport and sea laws and maritime defence. [as published]

The NOAMI was formed in July 1979 and is organised through an interim board of governors. Explaining the activities of the Institute Rear Admiral (Retd) M.H. Khan said that the current activities of the institute were aimed to culminate in creating a national oceanographic observatory to conduct studies in the evolution of the Bay of Bengal water mass movement and up welling in Bay sedimentations--its rate and extent, assessment of wind, wave and current energy coastal environment and nutrient availability and exploitation prospects.

Admiral Khan said that the Institute was a professional body and was formed to study oceanic and marine science with the following objectives. Stimulation of scientific research and accelerate development of various marine resources such as minerals, oil and gas, fish and other nutrients.

Simultaneously efforts would be made to develop appropriate technological capabilities for the exploration and exploitation of these resources, he said.

Other objectives of the NOAMI include promotion of education and training in ocean science, enhancement of commercial transportation through advanced knowledge in hydrography, astronomy, meteorology and navigation, study and propose policies on maritime strategies, marine environmental research and intensifying international cooperation in these fields.

The Chairman of the Institute appealed to the people to come forward to develop a clear national and maritime strategies.

Prof Nafis Ahmed Secretary, M.I. Choudhury, Treasurer Dr A.K.M. Nurul Islam and Mr Ashfaque Hossain Khan a former Presidential Adviser and Member of the Institute were also present at the Press conference.

Answering questions on the prospect of striking oil in Bangladesh Mr Ashfaque Hossain Khan said there was no reason to rule out the possibility of striking oil.

CSO: 4220

WATER RESOURCES SEMINAR HELD IN DACCA

Dacca THE BANGLADESH OBSERVER in English 26 Aug 80 pp 1, 8

[Text] Speakers at a seminar held in Dacca on the "impact of reduced low flow of major rivers of Bangladesh" have expressed concern at the diversion of flow of the Ganges at Farakka by India and said that such withdrawal of natural flow of the river by the upper riparian had disrupted the ecological balance in Bangladesh, reports BSS.

They maintained that the study of the data so far available clearly indicated that there was urgent need for restoring the predivision dry season flow to back the ecological balance in the Ganges basin area.

The seminar organised by the Water Resources Engineering Department of Bangladesh University of Engineering and Technology (BUET) was inaugurated by Minister for Planning Dr Fasihuddin Mahtab on Saturday.

Presided over by Dr A. Hannan Head of Department of Water Resources Engineering of BUET the seminar was participated by Dr Shahjahan, Professor of Water Resources Engineering Department, Mr Shahidullah and Mr M.A. Rahman of the Water Development Department of the University.

Dr A. Hannan in his paper said that the South-West region of Bangladesh heavily depended on the Ganges water sustained not only agriculture but the livelihood of the people. [as published]

Dr Shahjahan in his paper said that by constructing the Farakka Barrage, India was already controlling the flow of the Ganges and by putting another barrage at Jogipara for the link canal, India would control and regulate the flow of the Brahmaputra. He advocated for an alternative solution. He said the link canal proposal of India was not a suitable solution for the augmentation of the flow of the Ganges.

Mr M.A. Rahman in his paper said that the Indian proposal for diversion of the Ganges water and the link canal was a nightmare for the people of Bangladesh.

Mr Shahidullah in his paper said that Bangladesh was in the grip of disastrous effect of salinity due to the withdrawal of the Ganges waters at Farakka.

CSO: 4220

BRIEFS

NEW BENGALI WEEKLY--Mymensingh, Aug 19--The publication of a new Bengali Weekly entitled MUKH PATRA was formally inaugurated in a simple function held at the local S.K. Town Hall recently. The function was attended by the local journalists and the literateurs. Mr Shamsul Huda Chowdhury, Minister for Information and Broadcasting, who attended the function at the chief guest performed the inaugural ceremony and Mr A.F.M. Nazmul Huda, District Development Coordinator, presided over the function while Mr Farhad Ahmed MP was present as the special guest. [as published] In his inaugural speech the Minister said that the Government had ensured freedom of the Press and urged the journalists to work sincerely for the well being of the country and the people. [Text] [Dacca THE BANGLADESH OBSERVER in English 21 Aug 80 p 7]

AIRBASE NAME CHANGE--Jessore, Aug 20--The Bangladesh Air Force Base Jessore has been renamed as BAF base Matiur Rahman after the name of Shaheed Flt. Lt. Matiur Rahman Bir Sreshtay who sacrificed his life during the war of liberation in 1971, reports BSS. Chief of the Air Staff Air Vice Marshal Sadruddin formally renamed the establishment at a simple ceremony held at the BAF Base Matiur Rahman there this morning. Later he unveiled a plaque to mark the renaming of the base. The renaming ceremony was attended among others by mother widow and two minor daughters of Shaheed Matiur Rahman and high ranking civil and military officials. [Text] [Dacca THE BANGLADESH OBSERVER in English 21 Aug 80 p 8]

ORDNANCE FACTORY PLAN--Joydevpur, Aug 21--President Ziaur Rahman has directed the concerned authorities to prepare a long term development plan for the Bangladesh Ordnance factory reports BSS. The directive was given during the President's visit to the ordnance factory here this morning reports BSS. The President who went round various shops of the factory expressed his satisfaction over the progress and the potentials of the plant in manufacturing arms and ammunition. The President also directed that the potentials should be further increased and utilised fully. He also asked the authorities to explore the possibilities of utilising manufacturing capabilities of other industries for meeting the demands of tools and spare parts of the ordnance factory. During the visit, the President was accompanied by the Deputy Prime Minister in charge of Industries Mr Jamaluddin Ahmed and the State Minister for Science and Technology Dr R.A. Ghani. [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Aug 80 p 1]

NEWSPRINT PRICE RISE--The Government has refixed the price of newsprint with effect from August 23, 1980. The new price will be Tk 9.966 per m ton for reels and Tk 10.466 per m ton for sheets, says an official announcement. Following a very sharp increase in the OPEC price for oil, the Government on July 21 readjusted the prices of all petroleum products including furnace oil and diesel. As a consequence, the cost of production of newsprint registered very substantial rise. The Government has, therefore, no alternative but to make readjustment of the price of newsprint to absorb this increase. [Text] [Dacca THE BANGLADESH TIMES in English 24 Aug 80 p 8]

AMBASSADOR TO GDR--Berlin, Aug 24--Mr Justice K.M. Subhan Ambassador of Bangladesh to the German Democratic Republic (GDR) on Wednesday presented his credentials to Mr Erich Honecker Chairman of the Council of State of the GDR reports BS3. While receiving the letter of Credence, Mr Erich Honecker reiterated that friendly relations between Bangladesh and GDR will continue to develop. He assured his full cooperation to the Ambassador for promoting bilateral relations between the two countries. [Text] [Dacca THE BANGLADESH OBSERVER in English 26 Aug 80 p 6]

CSO: 4220

BRIEFS

PEOPLE'S ARMY ACTIVITIES--On 16 September, enemy soldiers from (Hsia Twi) camp were attacked by a small unit of the people's army near (?Hsa-wa). One enemy soldier was wounded in the attack. On 18 September, a small unit of the people's army attacked the military government's defense militiamen who were harassing (Kaw Weng-sa) Village, Mong Yawng. One defense militiaman was wounded. On 25 September, a small unit of the people's army attacked an enemy vehicle from Mong Yawng near (Mon Hlaing). The attack killed one enemy soldier and wounded two others. On 30 September, mines planted by the people's army between (Htin Yu-taung) and (?Mong Yin) killed two enemy soldiers and wounded another. On 5 October, a small combined force from the people's army and the Shan State Nationalities Liberation Organization attacked the military government's mercenary 79th infantry regiment at Pangwo, east of Mawmai, killing five enemy soldiers. [Text] [BK240842 (Clandestine) Voice of the People of Burma in Burmese to Burma 0030 GMT 24 Oct 80]

ACTIVITIES OF PEOPLE'S ARMY--On 11 October, mines planted by the people's army in (?Pangyawn), Kokang District, killed or wounded seven enemy soldiers. On the same day, a mine attack by the people's army on (?Ho-twe) road killed or wounded more than 10 enemy soldiers. Between 18 and 22 October, people's guerrilla units made three attacks on the enemy in Maw Hpa Region, Southern Wa District, killing two enemy soldiers and wounding three others. On 29 September, a combined unit of the people's army and the Shan State Nationalities Liberation Organization [SSNLO] attacked the military government's mercenary 1st Shan Rifles Regiment near (Wan Kyin), northeast of Langhko, killing three enemy soldiers and wounding five others. The following day, on 30 September, a similar attack killed two more enemy soldiers. Between 2 and 4 October, an attack by a combined unit of the people's army and the SSNLO near (Long Mahpu) and (?Wan Tintok), east of Mawmai, killed one enemy soldier and wounded three others from the military government's mercenary (?39th) Infantry Regiment [Text] [BK291255 (Clandestine) Voice of the People of Burma in Burmese to Burma 1500 GMT 29 Oct 80]

CSO: 4211

GANDHI SENDS MESSAGE TO PARTY CHIEF MINISTERS

Bombay THE TIMES OF INDIA in English 24 Aug 80 p 13

[Text] New Delhi, August 23 (UNI)--The Prime Minister, Mrs Indira Gandhi has asked her party chief ministers to resist political pressures brought on them to secure transfers of official since it was bringing a bad name to the government and the party.

In a communication to them, the Prime Minister has said that it is the duty of the ministers to keep a close watch on sensitive and important postings. But routine postings should be delegated to others in the hierarchy as far as possible.

Rather than succumb to pressures from members of Parliament and legislators, the chief ministers should withstand them and discourage such a tendency on their part. She has expressed her displeasure at the fact that chief ministers seemed to be spending considerable time at the present moment in processing their requests for transfers of officials.

She has said that care should also be taken to see that government servants under transfer orders do not try to get them nullified with the help of politicians. She has referred to a rule already prevailing forbidding them to bring in extraneous pressures. Such practices would affect their objectivity and impartiality.

Mrs Gandhi has also stressed the need for the administration to project an image of probity and integrity. Not only should this be so in actual practice but the public should also get this impression.

She has reminded the chief ministers of the immense task facing them, namely, the implementation of the party's policies and programmes to bring quick relief to the downtrodden and the oppressed. There was no room for indolence, indifference or indiscipline.

The chief ministers have also been asked to give the topmost priority to rooting out corruption which seemed to be prevalent at all levels. There should be no room for such complaints either against the bureaucracy or the politicians. They should restore the people's faith in the integrity and impartiality of the administration.

PERSONNEL CHANGES TERMED BEGINNING OF SHAKE-UP

Madras THE HINDU in English 22 Aug 80 p 1

[Article by G. K. Reddy: "Key Posts: Shake-up Begins"]

[Text] New Delhi, Aug 21--The first installment of the expected shake-up in the higher bureaucracy at the Centre has started off with the abrupt transfer of the Defence Production Secretary, Mr S. S. Siddhu, to the relatively minor post of head of the Department of Rural Reconstruction in the Ministry of Agriculture.

The change came as a big surprise to the rest of the officialdom since Mr Siddhu was considered very close to the establishment.

He was an Additional Secretary in the Home Ministry during the Emergency and was brought back from U.P. after Mrs Indira Gandhi's return to power to the Ministry of Defence in the same rank, first as Secretary of Defence Supplies and later as Secretary of Defence Production. It was in this capacity that he led the defence team to Moscow earlier this year to finalise a series of purchase and collaboration agreements aggregating to Rs 1,300 crores.

Another interesting change in this series is the promotion and transfer of Mr S. Varadan, who is a Joint Secretary in the Department of Mines, as Additional Secretary in the Home Ministry, as part of Mrs Gandhi's attempt to strengthen the top officialdom in this key Ministry while giving better regional representation in it. There have been some complaints that the South has not had its due share of the new appointments made by Mrs Gandhi after the formation of her new Government.

Next Installment

The next installment, involving the transfer of some senior Secretaries, might take a little longer since the Prime Minister appears to be keen on completing the long overdue Cabinet expansion before inducting new officials into pivotal positions. Meanwhile a search is on for some bright and promising officials with the requisite seniority from the States for these assignments at the Centre.

All those who have moved up the ladder rather rapidly after the present Government assumed office are now in a state of probation, and those who have not come up to Mrs Gandhi's expectations will have to make way for younger officials with better dynamism.

The same policy is being pursued in relation to the security agencies and other sensitive departments at the Centre where the performance of the recently promoted officials is being assessed by the Cabinet Secretariat for Mrs Gandhi's information.

The latest bunch of promotions includes six more Additional Secretaries besides Mr Varadan. The place of Mr Siddhu as Defence Production Secretary will be taken by Mr S.K. Bhatnagar who is now Agriculture Production Secretary to the U.P. Government.

The Additional Secretary in charge of Banking, Mr S.V.S. Juneja, has been transferred to Economic Affairs and Mr R.K. Kaul, now a Joint Secretary in charge of Plan Finance, takes over as Additional Secretary in the Banking Department.

Another relatively young officer who figures in this list of promotions is Mr K. Saigal, who is now a Joint Secretary in the Cabinet Secretariat and he will stay on as an Additional Secretary in the same department. Mr C.V.S. Mani, a Joint Secretary in the Ministry of Petroleum and Chemicals, is being moved up as an Additional Secretary in the Ministry of Health and Family Welfare.

Reshuffle of Portfolios

The Prime Minister's bid to tone up the bureaucracy by administering a sort of shock treatment to the higher officialdom has left many of her political colleagues wondering whether the same logic is going to prevail in the choice of new Ministers or reshuffle of portfolios during the impending Cabinet changes.

It is pretty clear now that, apart from inducting into the Cabinet some of the senior party leaders who had been left out at the time of the formation of the new Government, Mrs Gandhi will shift a few of the junior Ministers who have not come up to her expectations to less important departments.

The lethargy that has set in at the Centre in the wake of the continued uncertainty about the final shape of the Cabinet is matched by the poor quality of the newly formed State Governments. The low morale of the bureaucracy and the inability of the younger Ministers to provide the right kind of leadership in coping with economic management and law and order problems have added to the feeling that the ruling party is unable to measure up to the administrative tasks facing it.

It is the cumulative impact of all these factors that has apparently convinced Mrs Gandhi that something needs to be done to regain the initiative and dispel the impression that she is running out of ideas or unable to display the necessary firmness of purpose.

And the new upsurge of communal violence has convinced her that it is high time that she did something to make her authority felt by first shaking up the banyan tree.

AMBASSADOR CONCERNED OVER DAILY EDITORIAL

New Delhi PATRIOT in English 21 Aug 80 p 7

[Text] Kathmandu, Aug 20 (PTI)--Indian Ambassador N.P. Jain, today conveyed India's "concern and unhappiness" to Nepalese Prime Minister Surya Bahadur Thapa, over the editorial in the official daily THE RISING NEPAL.

Mr Jain is understood to have had talks with the Nepalese Prime Minister and Foreign Secretary, Jagdish Rana in this connection.

Mr Thapa assured the Indian ambassador that the views expressed in the editorial did not in any way reflect the Government's attitude or policy.

In the editorial published yesterday, the paper had launched an attack on India with special mention to its relations with Bhutan in a language which observers felt was highly objectionable.

Many observers felt that the editorial had come at a time when both Nepal and India had arrived at a purposeful phase in their relations in various fields, especially trade and commerce.

The editorial, which also criticised comments made by Mr T.N. Kaul, India's former foreign secretary at a seminar in New Delhi, said "to propose that India should open the so-called Tibetan question is tantamount to prescribing tension and even war between the world's two most populous countries."

About Indian ties with Bhutan, the daily said "as far as we know, no one has ever talked of any sovereignty over Bhutan."

CSO: 4220

GANDHI CHAIRS CIVIL SUPPLIES COMMITTEE MEETING

Madras THE HINDU in English 26 Aug 80 p 1

[Article by G. K. Reddy: "PM for More Powers for Cabinet Panels"]

[Text] New Delhi, Aug 25--The newly-formed Civil Supplies Committee of the Union Cabinet held its first meeting today, under the chairmanship of the Prime Minister, Mrs Indira Gandhi, to consider various suggestions for first regulating and then bringing down the prices of some select commodities of mass consumption by increasing production and making them readily available through proper distribution.

The Government is also taking the necessary administrative steps for controlling retail prices wherever possible by intensifying the de-hoarding operations along with raids on tax evaders engaged in wholesale trade.

Mrs Indira Gandhi, has been seeking the advice of prominent economists with requisite administrative experience, like Mr L.K. Jha and Mr B.K. Nehru, on how best to increase production in the prevailing circumstances for easing the present inflationary pressures.

These economists, who are not too impressed by the Finance Minister's thesis that the plateau has already been reached and the prices would start falling soon, want her to take some hard decisions to increase productivity by improving the infrastructure and enforcing stricter industrial discipline.

But some of her starry-eyed party colleagues have also been advising Mrs Gandhi to opt for more imaginative political measures for reviving the economy along with firm administrative action. They want the party cadres to be more actively associated with de-hoarding and distribution by building up a channel of parallel communication to keep her informed of what was being done at the twin levels to make essential commodities more easily available throughout the country at reasonable prices.

There is another set of advisers which feels that the Prime Minister must first make a proper psychological impression that she is all set to put back the economy into shape by revamping the present cabinet system. It has been suggested that, apart from entrusting the key economic ministries to more competent colleagues,

Mrs Gandhi should provide for some sort of overlordship in selective spheres for enabling senior Ministers to exercise greater authority in improving the collective performance of the Government.

But Mrs Gandhi does not seem to favour the idea of delegating such overriding authority to one or more economic czars which, in her view, would conflict with the present cabinet system. She is inclined to put more teeth into the concerned cabinet committees to expedite decisions and ensure quicker implementation. It is for this reason that she has agreed to serve as chairman of almost all the important economic cabinet committees to give greater weightage to their deliberations as well as decisions.

The whole exercise is closely linked with the impending cabinet changes, since the outcome of all these efforts to improve the performance of the Government would depend to a large extent on the calibre of her party colleagues who are going to be entrusted with the responsibilities of running the key economic ministries at the Centre. Though some names continue to be mentioned by her confidants for inclusion in the Cabinet, there is no firm indication yet when exactly she proposes to make these additions.

Meanwhile, Mrs Gandhi has been taking some of her present colleagues to task for the poor performance of their respective ministries which have fallen far short of her expectations. The Minister of State in charge of the Industry Ministry and the senior officials serving under him came in for some adverse observations by her. She intends to have similar sessions with the Ministers and officials of other Ministries, in what once highly placed was described as the descending order of their nonperformance, to make her displeasure known to them.

The Prime Minister has at least succeeded in creating the impression that some heads are going to roll if those in authority do not wake up and give a better account of themselves soon. But at the same time the old sinners in Indian politics are not unduly perturbed by such threats since they know only too well that her room for manoeuvre is rather limited with the kind of talent at her disposal whether at the Centre or in the States.

The present party dispensation does not give Mrs Gandhi enough flexibility for administering a shock treatment by dispensing with the deadwood and bringing in more promising younger men into the Government. Her main problem now is what to do with the so-called younger men who have managed to catapult themselves into more important positions than the older ones who have yet to pass the loyalty test in full measure to regain her confidence.

CSO: 4220

GANDHI CONCERNED OVER OFFICIAL TRAVEL

Bombay THE TIMES OF INDIA in English 21 Aug 80 p 1

[Article by K. N. Malik: "Trips Abroad Curbed by PM"]

[Text] New Delhi, August 20. The Prime Minister has disapproved of too many official delegations going abroad for purposes of doubtful benefit to the country.

In identical letters to Union ministers, the Prime Minister expressed her deep concern over the unusually large number of delegations and deputations being sent abroad by the ministries. She has therefore asked them to apply stricter standards of scrutiny in regard to such delegations.

Absence of senior officials from their posts, she reminded them, meant wastage of time. Often, these visits are undertaken at the expense of urgent work at home.

The Prime Minister stated that her party was committed to utmost economy in unproductive expenditure. The need for economy was never greater than now when strong inflationary pressures are at work. The budget deficit has to be contained within the limits, she said. Foreign travels should be curbed to preserve foreign exchange.

The Prime Minister advised them that visits abroad in connection with international conferences, seminars, meetings or study tours should be allowed only when the subjects proposed to be discussed are relevant to the current needs of the country and are absolutely unavoidable.

She said that in cases where such visits are considered necessary, officers in Indian diplomatic missions abroad may be asked to attend the meetings. Where sending of a delegation from India is unavoidable the strength of the team and the duration of its stay should be kept to the minimum.

The levels of officials and nonofficials should be decided keeping in view the level of those attending such conferences or seminars from other countries.

It is also not necessary that representatives from all the ministries concerned with the subject-matter should be sent abroad. The leader of the delegation should be adequately briefed by the ministries on the issues pertaining to them.

The Prime Minister was felt obliged to write this letter because an unusually large number of government delegations were abroad, some on very frivolous grounds. Many of these delegations comprising ministers and officials undertake tours lasting 20 to 30 days. In one case sponsored by the Indian railways to go round the world in 38 days on the pretext of studying the design of bulk carrier grain wagons and bulk grain storage facilities.

In some cases the officials take leave while abroad at the end of their official tour. They also visit cities which do not form part of their official itinerary.

CSO: 4220

AKALI DAL DISSIDENTS SELECT CHAIRMAN

New Delhi PATRIOT in English 21 Aug 80 pp 1, 7

[Text] Chandigarh, Aug. 20--The split in Shiromani Akali Dal was formalised today when a joint meeting of the general houses of the party and the Shiromani Gurdwara Prabandhak Committee elected Sant Harchand Singh Longowal as the parallel party president at Amritsar.

Sant Longowal's name was proposed by former Chief Minister Parkash Singh Badal and seconded by SGPC president Gurcharan Singh Tohra. With Tohra choosing to side with it, the faction led by Sant Longowal has now assumed the commanding role in the 80-year-old party.

According to the reports, 33 of the 37 Akali legislators, 139 of the 450 party delegates and 137 of the 155 Akali members of the SGPC attended the meeting [as published] at the historic Teja Singh Sumandri Hall overlooking the Golden Temple and the Akal Takht in Darbar Sahib complex.

The slogans hailing Sant Longowal, Mr Badal and Mr Tohra reverberated the hall.

The relatively small strength of the section led by Jagdev Singh Talwandi became clear as three--Tohra, Longowal and Badal--of the 'big four' of the Akali Dal joined hands to launch the parallel party. Mr Talwandi had been earlier expelled from the primary membership of the party by four of the seven-member top party panel.

Which Is 'Real'?

The election of Sant Longowal finally approved at the open session at Manji Sahib hall. This meeting was many fold bigger than the one held by Mr Talwandi yesterday, where the 'World Sikh Convention' had reposed confidence in his leadership.

The second phase of the battle between the two parallel parties, with each claiming to be the 'real' Akali Dal would now be fought through two dozen election petitions filed mainly against the Longowal-Badal faction men, reports said.

Those who did not attend today's meeting included, Mr Harcharan Singh Hero, Mr Major Singh Uboke, Mr Prem Singh Lallpura and Mrs Satwant Kaur Sandhu. They all belong to the Talwandi faction of the Akali Dal, Dr Bhagat Singh also did not attend the meeting. [as published] He was yet to reach Amritsar.

Earlier Mr Jasmat Singh Dhillon, who was elected from the Faridkot constituency as an Independent, joined the Akali Dal (Longowal faction). He announced his decision at a dewan held at Gurdwara Manji Sahib here today.

Tohra Weight

Our staff correspondent continues: The never-at-peace Akali party, which has once again been handed over to a Sant, is having its second major split since 1962 when Sant Fateh Singh had dethroned late Master Tara Singh through a nearly similar peaceful but effective coup. The split, the logical culmination of the year-long bitter intra-party fighting between the Talwandi and the Longowal-Badal factions, was precipitated by SGPC president Tohra's decision to side with the latter.

The 'real' Akali Dal is said to be one which exercises control over gurdwaras, through its control over the SGPC. In that case, Sant Longowal could be said to be leading the 'real' Akali Dal. However, technical and legal powers to operate as the organisational head would continue to vest in Mr Talwandi. His party also continues its control over party finances and office.

Agencies add:

Soon after the formal election, the Longowal faction settled down to the business of passing resolutions with disciplinary directives against Mr Talwandi, whose "anti-party and anti-Panth activities" earned him "expulsion from the party for six years."

The general body endorsed a number of resolutions recommended to it by the seven-member working committee of the Longowal group.

Other resolutions passed at the meeting called for the inclusion of Chandigarh and all Punjabi-speaking areas in Punjab and demanded the installation of a high-power radio transmitter in the Golden Temple for the exclusive broadcast of "Gurbani Kirtan."

The meeting further called upon the government to take early steps for the enactment of All-India Gurdwara Legislation, "the draft of which was submitted to the Union Government about two years ago."

The general body meeting went on to pass a resolution dissolving the seven-member committee, saying its function had been fulfilled with the election of Mr Longowal as the president.

Agitation Plans

Sant Longowal was likely to launch an agitation to press the demands of Punjab "once for all."

A broad hint to this effect was given by Mr Badal, Mr Tohra and Sant Longowal himself in their speeches at the open session.

Mr Tohra, referred to the demand for more powers to the States. He regretted that when the demand was raised by the CPM or ALADMK nobody raised an eyebrow, but when the Akalis did so, their integrity was doubted.

Mr Parkash Singh Majitha, who was the initiator of the requisition move against Mr Talwandi, said delegates had democratically elected Sant Longowal as the president.

Mr Kartar Singh Vaid demanded that Mr Talwandi be excommunicated from the Sikh community.

Meanwhile, Sant Longowal will constitute a 31-member working committee of the Dal in a day or two.

The party general body has authorised him to nominate six members on the working committee, which is normally elected by a General House.

There was no untoward incident today. A large contingent of police stood guard outside the Darbar Sahib entrance to keep a watch on the situation.

A number of armed men guarded the entrance to the office of the Akali Dal, barely 20 metres away from the venue of the meeting of the Longowal group. The party office is under the control of Mr Talwandi.

CSO: 4220

CPI HAILS ACTION AGAINST SECESSIONISTS

New Delhi PATRIOT in English 21 Aug 80 p 4

[Text] Srinagar, August 20--Central Executive Committee of the CPI member M. Farooqi today welcomed the Kashmir Government action against the Jamaat-e-Islami led secessionist elements.

He however, maintained that the administrative action alone was not enough to combat the dangerous potentials of this problem. He called for an ideological and political struggle against these elements and appealed for secular unity in the State.

Replying to questions at a press conference here Mr Farooqi regretted that both the ruling National Conference and the Congress-I in the State had been appeasing the Jamaat and its pernicious ideology for their respective factional interests.

The CPI leader emphasised dangerous potential in the projection of the Jamaat's new ideology and pointed out that the Jamiat-e-Tullaba, the militant, youth front of the Jamaat-e-Islami had been preaching that "Kashmir was not a part of the Hindu India but belonged to the Islamic world." This, he explained, was a more dangerous departure from the earlier stance of the Jamaat, seeking "plebiscite and right of self determination for the Kashmiris."

The CPI leader cautioned that the activities of the Jamaat led forces in Kashmir were a part of Sino-US inspired attempts at destabilising India in its vulnerable north eastern and north western sensitive regions.

Mr Farooqi said that during his week-long stay here he had a long meeting with Sheikh Abdullah. He also met Mir Qasim and other prominent State leaders. The Chief Minister has assured that he would not allow Kashmir to become a cockpit of international intrigues he added.

Expressing his deep concern "resentment and sense of insecurity" resulting from 26 July incidents involving some army personnel and local civilians, Mr Farooqi said that the CPI would take up the matter with the Central authorities and demand suitable action against the guilty army men.

Mr Farooqi referred to the Moradabad incidents and said that it seems as if there is some deliberate attempt from the police. A minor incident was used to resort

to indiscriminate firing and provoke retaliatory action from Muslim communalist elements.

In this connection he recalled that large scale RSS infiltration in police had taken place during the Janata rule particularly in Uttar Pradesh and Bihar having sizable Muslim population.

CSO: 4220

CHIEF MINISTER DESCRIBES WEST BENGAL CONCERNS

Calcutta THE STATESMAN in English 22 Aug 80 pp 1, 9

[Text] New Delhi, Aug 21--Mr Jyoti Basu announced here today that the Planning Commission had agreed to the State's proposal for an outlay of Rs 580 crores in 1980-81 and thus the dispute over the excess of Rs 26 crores provided in the State budget was now over.

On the food-for-work programme, the Centre has agreed to provide cash assistance of Rs 5.2 crores out of the State's provision of Rs 12 crores. Mr Basu said this amount would be used by his Government for other development purposes.

The Centre has also agreed to make grain available in the quantity needed, including the 50,000 tonnes not released by the Food Corporation of India in the past two years. Mr Basu said this would help to keep employment going in village projects.

But the Chief Minister was distressed over a number of other issues. Prominent among these was the inadequate time given for preparation before the National Development Council meets on August 30 and 31 to discuss the approach to the Sixth Plan. The papers on this are expected to be delivered to the States in a day or two.

Mr Basu said he hoped to discuss with the Tripura and Kerala governments the question of alternative proposals for the Sixth Plan before the NDC meeting was held. This would be after the Centre's note on the subject was received.

The Chief Minister also expressed his unhappiness over the fact that the Centre had not given any financial assistance to the State for the 7,000 refugees from Assam now being maintained in camps in West Bengal. Although the refugees were Bengali-speaking, the matter had always been treated as a national one.

Mr Basu revealed that another 4,500 refugees from the Mikir Hills had crossed into West Bengal in the past few days after being evicted from Government land they had occupied for the past 15 years. Protests to the Assam Government--now under President's rule--had elicited the response that the 4,500 people had been "legally evicted" and hence the problem was not Assam's concern.

Finding this curious, Mr Basu said he could not understand why the eviction had not been delayed at a time when talks on the Assam problem were being held. If

the occupants of the land in the Mikir Hills had remained there for 15 years, it should have been possible to wait another year or two. In any case, it was a national problem and not merely West Bengal's.

The Chief Minister expressed his concern over the delay in taking decisions on a number of industrial projects in West Bengal. Foremost among these was the Rs 428 crore Haldia petrochemical project, the detailed project report on which had recently been submitted to the Centre.

West Bengal was keen to have this included in the Sixth Plan and Mr Basu feared that if scrutiny of the report was delayed, the project would permanently "miss the bus" after hanging fire for the past 10 years. He urged the Planning Commission and the Petroleum Minister to come to a decision quickly so that the project could be included in the Sixth Plan.

Mr Basu was also concerned at the delay in taking a decision on investing in an electronics project in the Salt Lake area for which the State Government had allocated 100 acres. He had been told that the project was being reviewed and he hoped this did not mean it was being abandoned.

West Bengal had also been promised a ship repairing centre at Haldia by the Janata Government but had now been told by the Shipping Minister that he knew nothing about it, Mr Basu has asked the Minister, Mr A.P. Sharma, to come to Calcutta to discuss the matter.

Various other industrial projects in West Bengal which are ailing also worried Mr Basu and he sought their rehabilitation, if necessary by take-over by the Centre. These include a paper plant, a tyre company and a glass-making firm.

Mr Basu also sought early talks on revision of the coal royalty which was due in August 1979, and from which West Bengal stood to gain Rs 9 crores.

Mr Basu and the Finance Minister Mr Ashok Mitra, met the Union Minister for Planning and Deputy Chairman of the Planning Commission, Mr Narayan Datt Tiwari, and members of the Planning Commission, here today to discuss the Annual Plan, adds PTI.

The Chief Minister agreed to reduce the overdraft of Rs 65 crores at the close of the last financial year to the admissible limit of ways and means. The plan includes an additional resource mobilization of Rs 39.22 crores by the State Government.

Mr Basu stated that the Planning Commission had to play a major role in removing the existing imbalances in development. He said the administrative machinery would be geared up to ensure that the schemes financed by international agencies, schemes for the welfare of the Scheduled Castes and Scheduled Tribes and minimum needs programme were executed speedily and according to schedule. Efforts would also be made by the State to attain higher production of pulses, oilseeds and foodgrains.

CPI WARNS OF U.S.-PRC CONSPIRACY BEHIND RIOTS

New Delhi PATRIOT in English 26 Aug 80 pp 1, 7

[Text] The CPI Secretariat has under lined that the recent communal disturbances must be seen as part of a "diabolical US Chinese conspiracy to threaten the territorial integrity of our country and to blackmail India into submitting to their dictates."

In a statement the CPI has warned against the highly ominous developments and noted that they "are fraught with serious consequences for the secular-democratic set-up and the unity of our people."

"All evidence that has come to light so far reveals that the communal forces are generally well-armed and there is a well-prepared sinister plan operating behind this recrudescence of communal [as published] strife in the country," it observed. It then pointed out that disturbances were the outcome of insidious poisonous communal propaganda by the RSS and the BJP, which has infiltrated into the PAC in UP to an alarming extent," and the active involvement of the Jamaat-e-Islami and its auxiliary bodies.

Secession

The statement expressed the party's deep sense of shock at the "callous and indiscriminate firing by the PAC as if it was seized by communal frenzy" in Moradabad. At the same time, it underscored that the Moradabad incidents, had been seized upon by communal forces to whip up communal frenzy and strife in several North Indian States as well as the Kashmir valley.

"It is significant that while open calls for secession of Kashmir have been made by the Jamaat-e-Islami and its student body Jamiat-e-Tullaba in Kashmir valley in the course of the last one year, similar calls for secession of the North-Eastern States were issued during the anti-foreigners' agitation in Assam in which the RSS-BJP played no small part," it stressed.

The statement further referred to the recent "steady flow of large funds from reactionary circles in Pakistan and Saudi Arabia to organisations like Jamaat-e-Islami who are engaged in spreading reactionary obscurantist propaganda and communal hatred."

It also felt that taking inspiration from imperialist sources, both Hindu and Muslim communal forces were working to inculcate into the masses proimperialist ideas and feelings.

Explaining that the entire objective of the country's enemies in collusion with reactionary and communal forces was to "disrupt the unity of the toiling masses and growing Left and Democratic unity," the CPI called upon all patriotic and democratic parties and organisations to come forward and actively expose the ugly face of communal reactionaries and their foreign mentors as well as to defend the secular-democratic set-up of our Republic.

"The CPI," the statement said, "calls upon the Government to curb the activities of organisations engaged in spreading communal poison. It also called upon the Government to reorganise the PAC and other law-enforcing agencies and purge the police force of all communal elements so that it can really function as a secular force protecting law and order and communal peace."

In a separate statement, the Secretariat called upon the Government to rush immediate relief to all the flood affected people; to organise free distribution.

It assailed the "inefficiency, callousness and corruption of the official administrative machinery" for its miserable failure to check floods.

CSO: 4220

VAJPAYEE SEES GANDHI 'TILT' TOWARD USSR

Bombay THE TIMES OF INDIA in English 24 Aug 80 p 6

[Text] Calcutta, August 23--The Bharatiya Janata party president, Mr A. B. Vajpayee's appeal to a state party workers' convention here today was: "Give me five years of hard labour and struggle, BJP will emerge as a national alternative and a third force in West Bengal." It would be time then for them to change the face of India as well as West Bengal."

In this context, Mr Vajpayee would like the Congress(1) and Mrs Indira Gandhi to run the full term in office: "We are not in a hurry, but we want to prepare ourselves in the meantime from the cities to the villages and I can promise you there will be no more fight for the chair."

He summed up Mrs Gandhi's achievement so far as a "tilt towards the Soviet Union in foreign policy and tension on the domestic front." The more the disturbances, the more would be the involvement of the armed forces in civil situations, which was bad. The overall situation was worse today than it was in 1975 and "emergency would be of no help to her this time. Yet we have to be vigilant."

A former external affairs minister, Mr Vajpayee said he believed that the Soviet Union would not intervene militarily in Poland; if it did "we will criticise," despite friendly ties with that country, which had been strengthened during the Janata party's government.

Failure Everywhere

Mr Vajpayee said there was no "alibi" for the government's failure on different fronts, economic and social. Prices were rising and the law and order situation in different parts of the country, like Uttar Pradesh, Rajasthan, Gujarat and even Haryana was deteriorating towards 'chaos.' There was no sanctity of life, property or personal dignity. Daylight dacoities were taking place in Delhi; women were not safe even in their homes. All this he traced to what he called "politicisation of the services."

He denied allegations about RSS infiltration of the police force in Delhi and described the government's talk about "hidden hand" behind disturbances as smoke-screen for failures. But considering the overall situation, he did not seem to rule out the possibility of "foreign powers" taking advantage of these

disturbances; "they are there." But people would not be taken in by this talk of foreign hand or the RSS.

Mr Vajpayee spoke of a major "BJP thrust" organisationally towards Tamil Nadu, Assam and the eastern region and West Bengal. As for the Marxists, his party was not overawed; "After all, they are a regional party, I am sorry to say that" and, therefore, there was no conflict with the Marxists. In West Bengal in particular, the BJP would like to head the third force, comprising those who would not like to go with either the CPI(M) or Congress (I), "even though it is too early to talk about it now."

CSO: 4220

COMMUNIST ALLEGES FOREIGN CONSPIRACY IN KASHMIR

New Delhi PATRIOT in English 27 Aug 80 p 5

[Text] Jammu, Aug 26--Mr M. Farooqi, member of the central executive committee of the Communist Party of India has appealed to all secular and democratic forces in the State to join hands to fight the forces of communalism in the Kashmir Valley as well as in the Jammu region.

In a press statement issued here yesterday, the Communist leader said that the State of Jammu and Kashmir was a symbol of our secularism and this must be defended with all strength at our disposal.

Similarly, conspiracies of American imperialists and Chinese expansionists in this region should be foiled, he added.

Referring to the recent unfortunate happenings in Kashmir, Mr Farooqi said these developments were of a serious nature and posed a new threat to the secular, democratic set-up and integrity and security of the State.

He also accused both the ruling National Conference and Congress-I leaderships of confusing the political situation in the State by compromising with the communal and separatist forces in order to get support of them in their power struggles.

The CPI leader alleged that the dominant section of the Cong-I leadership was more interested in confrontational politics than in fighting the separatist ideas of the Jama'iti Islam.

Appreciating the steps taken by the State Government to curb the activities of Jama'ittulba, the youth wing of the Jama'iti Islami, Mr Farooqi said Kashmir had become a special target of destabilisation plans of US imperialism and its Chinese collaborators.

The Pakistani military dictatorship was an instrument in carrying out such plans against India and Afghanistan.

Saudi and Gulf money, the CPI leader alleged, was playing a particular role in these well-coordinated plans.

Expressing his party's deep concern over the growing activities of communal forces in the State, Mr Farooqi said while the Jamaati Islami and its youth wing were engaged in carrying out their nefarious plans in the Kashmir Valley, there were forces in the Jammu region which were fanning regionalism and communalism. Some of them were even talking of separating Jammu from the State.

Describing the talks of separate Jammu State as thoroughly communal and disruptive, the CPI leader said the RSS was the spearhead of communal forces in Jammu whereas the Jamaati Islami was working on similar lines in the valley.

CSO: 4220

FOREIGN HAND SEEN BEHIND COMMUNAL CLASHES

New Delhi PATRIOT in English 25 Aug 80 p 4

[Text] Jaipur, Aug 24--Union Minister of State for Home Yogendra Makwana said here today that for the first time in the history of the country, riots and clashes between Muslims and Harijans had been witnessed these days.

Addressing a convention of the Pradesh Congress-I Committee, Mr Makwana observed that till today, communal riots between Hindus and Muslims only were witnessed, and during those incidents the Harijans had sided with the Muslims. But now a dangerous trend had emerged and it had to be checked sternly, he said.

Mr Makwana revealed that in all the recent clashes in the five cities--from Noradabad to Delhi--these two communities had indulged in clashes for the first time.

The Minister saw the hands of communal forces like the RSS behind these incidents which were acting in a planned way at the instance of some foreign countries.

He said deliberate attempts were being made to defame the Government on the pretext of rape, etc. A conspiracy was being hatched in the country by the henchmen of some foreign countries. He revealed that during Janata regime, for all practical purposes, the Government was run according to the wishes of 'videsh' (foreign). He was of the opinion that the press was also playing in the hands of such elements.

Dig at Press

The Minister appealed to the organisation workers to strengthen the Government. According to him, the party organisation was not functioning properly in States, especially in Rajasthan and Gujarat. He objected to the presence of the press as it was preventing him from free and frank speech. He said in its seven-month rule, the Cong-I Government at the Centre had failed to fulfill the promises made during the elections.

He criticised the efforts by a section of the party to oust State Chief Minister Jagannath Pahadia.

Earlier, PCC-I chief Ramkishore Vyas announced that action would be taken against those who had sabotaged the party candidates during the recent elections.

A three-member committee was constituted which had already received several complaints, he said. But, Mr Vyas said, innocents would not be put in trouble due to some false complaints lodged out of vendetta.

Addressing the gathering, the Chief Minister observed that the communal forces had again started raising their heads. He said the RSS would have to be prevented from poisoning the brains of children. In this connection, Mr Pahadia said Union Home Minister Zail Singh had already sent directives to the State Governments.

Mentioning the message of Prime Minister Indira Gandhi against transfers, Mr Pahadia said nobody would be transferred unnecessarily.

Regarding prohibition, Mr Pahadia said the PCC-I had to take action as it was imposed with the connivance of it.

CSO: 4220

RUSSIAN INVOLVEMENT IN INDIA'S COMMUNAL RIOTS REPORTED

Russian Intrigue Inferred

Lahore MASHRIQ in Urdu 5 Sep 80 pp 3, 10

[Article: "Russian Hand in Indian Anti-Muslim Riots; Conspiracy to Divert Attention from Afghan Crisis; Sanjay Gandhi Also Fell Prey to the Conspiracy; Russian Agents Attacked Police"]

[Text] New Delhi, 4 September (Mashriq Report)--In a recent issue, the Indian newspaper ORGANIZER revealed that the anti-Muslim riots in Moradabad, Aligarh and other places were instigated by Russian agents. The newspaper wrote that Hindu-Muslim riots have been an important part of Indian politics since the partition, but that the riots which took place on the Muslim holiday in Moradabad, and spread to other places, were not casual riots. These riots were connected with Moscow.

According to the ORGANIZER, two opposing groups clash only after a period of tension between them. There was no such atmosphere before the Moradabad incident. The situation was very peaceful. The Muslims had even brought their children to the Mosque, which indicates that there was no fear of violence.

Quoting the STATESMAN, another newspaper, the ORGANIZER wrote that the 50 people identified in Moradabad were different in clothes and looks from the local people. How did they materialize within the worshipping crowd, and kill three policemen in minutes? What was their purpose? Did the police bring the pigs into the mosque? Similar people killed two policemen in Aligarh and threw their heads in Hindu areas to incite them against the Muslims.

In support of its hypothesis, the newspaper cited another incident in which Muslims threw a grenade on a Muslim District Magistrate, S.A.T. Razvi. Muslims usually do not attack Muslim officers, but view them as their protectors. This incident clearly indicates that the attackers were Russian.

The ORGANIZER added that the Russian lobby was very active during the (Janata) Party's rule in India. Some of its elements were directly connected with Moscow. In a dinner given by the ambassador of an Arab country, attended by Sanjay Gandhi and Khushwant Singh, among others, plans were made to overthrow the Janata government and hold new elections. This plan was successful; Indira Gandhi won. But the emergence of Sanjay Gandhi as an anti-Communist leader greatly disappointed the Russian agents. Further, Mr Bahuguna, who was Moscow's favorite, was thrown out of the Congress Party.

After the Russian involvement in Afghanistan, both the Hindus and Muslims of India considered Russia a dirty word. The anti-Russian feeling expressed in the Islamic conference held in Pakistan was not very pleasing to Russia. The resolutions passed at this conference were like bitter pills for Russia.

In February, after the Islamic conference, the Russian ambassador to Delhi gave a dinner party in New Delhi. The dinner was attended by such Russian agents as Aruna Asaf Ali, K.D. Malviya, and N.K. Karishnan. Plans to get Hindus and Muslims to fight each other were made here. They waited for an opportunity to implement these plans. The Idgah (Mosque) in Moradabad provided this opportunity. Sanjay's death was a part of this plot. It was not possible to include Sanjay's "mother" in the plot, which was to punish him for (becoming?) anti-Russian. The ORGANIZER printed the statement of Usha Saksena, wife of Captain Saksena, co-pilot of the plane which crashed, killing Sanjay Gandhi. In her statement, she said that her husband was sacrificed for political reasons, and that the plane crash was the result of a foreign conspiracy.

Pakistan Not Involved

Karachi JASARAT in Urdu 13 Sep 80 p 6

[Article: "Russian Hand in Indian Riots; Purpose of Riots is to Create Tension Between Pakistan and India, says General Secretary of Association of Indian Friends of Afghan People"]

[Text] New Delhi, 12 September (APP)--Acharaya Dharmendar Nath, General Secretary of the Association of Indian Friends of the Afghan People, said here yesterday that "we are getting daily proof that it is not Pakistan, but the superpower that has devoured Afghanistan which is promoting communal riots in India."

Dharmendar Nath agreed with the statement of Agha Shahi, the Pakistani foreign minister, that Pakistan has nothing to do with the deplorable incidents in India. Acharya further said that the purpose of instigating the communal riots in India was to create tension between the two countries so that they may not agree on the Afghan crisis. He said that the disappearance of Afghanistan as a buffer state has left both countries in danger. If both countries fight each other, it would be suicidal, and the opportunist enemy would benefit from it. He said that it is hoped that this crisis will help bring India and Pakistan closer together.

7997

CSO: 4203

ARAB INVOLVEMENT IN RIOTS ALLEGED, REFUTED

Madras THE HINDU in English 24 Aug 80 p 12

[Article by G. K. Reddy: "Arabs Resent Charges of Involvement in Riots"]

[Text] New Delhi, Aug 23--The Government is taking steps to mollify the Petro-Arabs, who are incensed over the latest allegations of involvement in communal politics in India, through their close identification with some Muslim politicians or assistance to certain Islamic institutions.

The Arab Ambassadors in Delhi have conveyed to the Indian leaders their strong indignation over these allegations which, they pointed out, were receiving wide publicity abroad to the detriment of Indo-Arab relations.

Though no formal protests have been lodged by them or official amends made from the Indian side, the Prime Minister, Mrs Indira Gandhi, has privately assured these Arab envoys that she was equally distressed over these allegations. She has also publicly deplored the accusation that the petro-dollars provided for the Indo-Arab Institute near Moradabad had been misused for fomenting communal hatred or acquiring arms.

But then it has never been India's policy to look upon all the Arab States as a single entity, despite its whole-hearted support to the Arab causes. It has had very cordial bilateral relations with some of them, while the relationship with some others has not been so good, although the relations have not been bad with any of them.

There are nearly half a million Indians now working in various West Asian countries and India's project-wise participation in their development amounts to over Rs 2,000 crores, whether it is in Iraq, Syria, Libya, Kuwait, Bahrein or the United Arab Emirates. The great majority of these Arab countries is quite content with its wide-ranging politico-economic relationship with India, but a few of them have also come in for adverse notice for attempting to cultivate the Indian Muslims as part of their Islamic fundamentalism.

Though she has not in any way offended Arab opinion, Mrs Gandhi's hypothesis that the various vested interests abroad do not want to see India progress in peace has prompted her to talk at times of a deep-rooted foreign conspiracy to harm this country and impede its development. This astonishing theory has given the impression that Indira's India also, like Mao's China, has come to rely rather unduly on the bogey of foreign detractors to explain away its own inadequacies in coping with domestic challenges.

The attempt to blame the Petro-Arabs for the present communal tensions in India is only a sad reflection of this new ambivalence in Indian politics which makes even responsible leaders rely heavily on alibis of this kind as a piece of sheer escapism from the realities of their own failures. It has been coming in to buttress political causes also, in addition to communal interests, during Indian elections.

There are some modern-minded Arabs who have been detesting the involvement of their fellow Arabs in such causes in other countries, which can only bring a bad name to all of them. For instance, the Dean of the Diplomatic Corps in Delhi, Mr Essa Abdul Rehman al-Essa, the Ambassador of Kuwait, has consistently refused to participate in any dinners or receptions hosted by fellow Arab envoys which had domestic political overtones. [as published]

He had the courage to decline the invitations to the controversial dinners given by the Saudi Arabian and Libyan Ambassadors in honour of some top Indian leaders on the eve of the last Parliamentary elections. Much as he has resented the talk of Arab involvement in the current communal tensions, he has been urging the other Arab Ambassadors not to overreact to such criticism. And he has been advising them to let Mrs Gandhi handle this matter in her own way, since in his view she is a proven friend of the Arabs and an ardent supporter of their interests.

CSO: 4220

DUTY OF INTELLIGENCE IN COMMUNAL TROUBLES NOTED

Bombay THE TIMES OF INDIA in English 24 Aug 80, Supp, p 1

[Article by Inder Malhotra: "The Government's Secret Eyes and Ears"]

[Text] Every time there is a major flare-up and communal forces embark on their death dance, there is an outcry against the "failure of intelligence." Is there in fact any such failure? Can every communal carnage be attributed to the infirmity of the government's secret eyes and ears?

Just as there can be no smoke without fire, there cannot be any fire without the fuel to sustain it. This is particularly true of communal conflagration. If an inflammable situation is allowed to develop--and this also is done with heart-breaking regularity--any little incident is enough to light the fuse and cause a major explosion. When explosive tensions have not been deliberately whipped up even grave provocations cannot cause any havoc.

It is the duty of the intelligence agencies, both central and state, therefore, to keep a careful watch on communal forces, especially in chronic troublespots, of which there are more than two dozen in the country. Only if the government is forewarned can it act decisively to forestall trouble. Thus it is that every time there is a major flare-up and communal forces embark on their death dance, there is an outcry against the "failure of intelligence." Such failure there is perhaps often enough. But to attribute every communal carnage to the infirmity of the government's secret eyes and ears is not fair. The reality is a lot more complex than that.

As President Kennedy once said, the trouble with an intelligence agency is that while its failure inevitably becomes headline news, it is by its very nature unable to advertise its success. In any case, how does a state government announce that it was able to avert a major riot because of timely warning from its special branch or the intelligence bureau's nationwide network? Moreover--and this is where the rub lies--many a riot begins and snowballs despite detailed intelligence warnings.

The horrendous holocaust in Moradabad, among the worst centres of communal trouble, is an instance in point. Not only were district authorities specifically warned of the impending trouble on Eid day, but they could see for themselves the recent sequence of events and their inevitable consequences.

It is a measure of the strength of communal forces in Moradabad that the Congress lost control of this constituency many, many years ago. The Congress(I) regained it only in the state assembly election in June. The day the polling ended there were clashes in the city which could be labelled political or communal depending on the way one looked at the underlying strife. Then, on July 24, a major fracas took place between Muslims and Harijans in which pigs were unfortunately involved. Some of them, belonging to Harijans, had allegedly been poisoned.

With all this foreknowledge, however, no one could foresee the manner in which trouble was to begin and the gigantic dimensions it was to acquire. What exactly went wrong can be usefully discussed only after the judicial inquiry into the outrage has been completed. But the painful and complex causes of avoidable butchery, arson and loot can perhaps be deduced from past experience when easily foreseeable situations have taken an unimaginably ugly turn.

Mr. 'No-man'

For instance, during the particularly nasty riots at Aligarh in 1978, when the university town was under continuous curfew for more than two months, there was no dearth of intelligence advice to the authorities that a certain Mr Navman must be arrested. But he was an important local leader of the then ruling party, the Janata, and no one dared touch him for weeks. Eventually, however, he was taken into custody but only after a visiting American journalist had taunted the Chief Minister: "Who is this Mr 'no-man' you are so afraid of?"

In Jamshedpur too, communal killing has been distressingly frequent. From there intelligence has been reporting the nexus between crassly communal elements and vested interests, including trade union mafia. But pleas for action against the deadly combination usually fall on deaf ears until it is too late. Vested interest in a cinema house had a lot to do also with the Aligarh riots. But it is only fair to add that if such interests did not exist, the purveyors of communal venom would have found some other excuse. And their number is increasing, alas, even within the minority community which has nothing to gain and everything to lose by stoking the fires of communal hatred and bigotry.

What is worrying the intelligence chiefs today should not be a surprise to any perceptive observer of the national scene. Kashmir, more than any other part of the country, has become the focus of attention by standard-bearers of Islamic fundamentalism in West Asia who have been flocking to the valley, scattering their abundant oilwealth and strengthening the forces out to cut at the roots of not only secularism but also Kashmir's membership of the Indian family.

Oil Money

Elsewhere too the inflammable mixture of oil money and wild rhetoric has buttressed, extremist forces within the minority, producing the inevitable reaction among the bigots belonging to the majority.

To cap it all, illicit firearms are more easily available in trouble-prone areas than sugar. In large parts of U.P. and Bihar, the proportion of licensed to unlawful firearms is believed to be one to eight. The number of licensed guns and pistols in Moradabad alone, incidentally, is 3,000.

CPI(M) VILLAGE LEADER ARRESTED IN TRIPURA

Calcutta THE SUNDAY STATESMAN in English 24 Aug 80 p 7

[Text] Agartala, Aug. 23--Bahadur Debbarma, a CPI(M) Gaon Pradhan of Madhavbari village in Jirania bloc of Sadar subdivision in West Tripura, was arrested yesterday by the police in connexion with the recent disturbances, report UNI and PTI.

The local committee of the CPI(M), in a statement, condemned his arrest, saying that Mr Debbarma had resisted the extremists during the disturbances as a result of which his house was looted and burnt down.

The committee said some political parties were trying to tarnish the image of the CPI(M) when the situation in the strife-torn State was fast returning to normal.

The Tripura Government has intensified security measures in sensitive areas following reports of fresh cases of arson, according to Mr Nripen Chakraborti, Chief Minister.

Mr Chakraborti said these incidents were the work of mischief mongers out to create fresh tension. He said they were setting on fire houses belonging to their own community at different pockets.

Expressing concern at this development, Mr Chakraborti said the Government would take stern action if such incidents recurred.

The number of dead and missing persons in the recent carnage in Tripura is estimated at not more than 1,000, according to latest official reports.

The Tripura Government had earlier informed the Dinesh Singh Committee that the number might reach 2,000, but after collection of further details, the number of missing persons was found to be less than 500. The official death toll was 540.

A total of 1,882 people, including most of the prominent Tripura Upajati Juba, Samiti leaders, had been arrested. Several tribal extremists were, however, still absconding. They included Mr Chuni Kolai, second in command of the outlawed Tripura National Volunteers.

The police, acting on the orders of the district magistrate of West Tripura, raided the royal palace on August 20 and recovered a large number of unlicensed arms, including a two-inch mortar, a light machine-gun, some revolvers and pistols and a rifle.

An official note said the former ruler, Mr Kirit Bikram, handed over all licensed weapons registered in his name during July, following Government instructions but these weapons had not been deposited.

It was further learnt that some dacoits had been active of late in Sidhai-Mohanpur block of Sadar subdivision in West District.

CSO: 4220

NEW MILITANCY FOUND AMONG DEPRESSED CASTES

Mumbai Lampur BUSINESS TIMES in English 29 Sep 80 p 3

[Article by Sumanta Banerjee]

[Excerpts]

THE BLACK Panther in the US has become too old to spring. But its progeny in India — the Dalit Panther — is girding its loins to pounce upon the Establishment.

Inspired by the movement of the American blacks in the 1960s, a militant section of India's 110 million depressed castes decided to fight back the oppression of the upper caste Hindus. In 1972, they formed an organisation called the Dalit (meaning "downtrodden") Panthers in Bombay in West India.

Like the Black Panthers, the organisation has also undergone a number of splits during the last eight years. But of late the Dalit Panthers are trying to remobilise themselves and expand their activities beyond their own castes.

Every seventh Indian is a Dalit or a member of one of the numerous low castes in the Hindu caste hierarchy. They are regarded as untouchables by the upper castes. According to Hindu laws, they are doomed to pursue socially despised occupations like scavenging, cleaning latrines, sweeping roads or removing carcasses.

The government has banned untouchability and grouped together all these depressed castes under the title "sched-

uled castes" to provide them with opportunities like reserved seats in schools and colleges and jobs in offices. But even after 33 years of independence, the scheduled castes continue not only to be discriminated against in jobs but lynched and burned to death in Indian villages.

The latest report from the Commissioner of Scheduled Castes and Scheduled Tribes reveals that the number of atrocities against the depressed castes increased from 6,197 to 18,579 between 1976 and 1977; the figure jumped to 17,041 in 1978. Some of the worst incidents happened in the North Indian state of Uttar Pradesh and Bihar in East India where Dalit settlements were burned down, women raped and people burned alive.

To force the upper castes to taste the life of the downtrodden, Dalits in some parts of India are retaliating in a violent way. Last February, some upper caste landlords burned a Dalit settlement in the Parasbigha village in Bihar and killed 13 Dalits, including five women and four children. The following day the Dalits attacked the nearby village of the upper caste landlords, beat up their women, threw them out on the roads, and killed a landlord.

The new militant mood was reflected in a meeting of the Dalit Panthers held sometime ago in Delhi. They asserted that they would not participate in elections. This decision was in reaction to what they described as the "betrayal" by their elders, who got elected to Parliament, became part of the elite and then forgot all about the sufferings of their followers. Instead, the Delhi meeting urged the government to give land to the landless Dalits and provide firearms so that the Dalits could fight back the landlords.

Sensing the danger, Mrs Gandhi's government is hurriedly taking appropriate measures. It has sent detailed and comprehensive guidelines to the states to prevent the increasing trend of atrocities against the scheduled castes. A detailed analysis of these atrocities has revealed that they arise primarily from disputes over occupation of land by the land-hungry Dalits, demand for better wages by Dalit agricultural labourers and demand for equal rights.

There are demands which are resented by the upper caste feudal gentry in Indian villages. The government has prom-

ised to grant special financial aid to the states to enable them to increase the pace of economic development of the scheduled castes.

But it is doubtful whether these measures will stem the tide of Dalit aggressiveness. For one thing, the upper castes are too well-entrenched in the Indian countryside to allow the implementation of laws in favour of the "untouchables."

The urge to break out from the Hindu socio-religious system has compelled many "untouchables" to embrace Buddhism which is a close parallel to the Black Panthers turning to Islam. They are known as neo-Buddhists. This sort of a swing back to religion to seek answers to socio-economic problems may have something to do with the Indian psyche.

Many feel that no revolution in India can be possible outside a religious framework. But this is hotly contended by the Marxists and other variants of leftists among the Dalit Panthers.

Poet Arun Kamble and a few other intellectuals in the movement stress the need for moving out of the Dalit caste boundaries and embracing downtrodden people, including the higher castes. — Depthnews

KASHMIR ORDINANCE PERMITS DETERRENT PUNISHMENT

Bombay THE TIMES OF INDIA in English 24 Aug 80 p 1

[Text] Srinagar, August 23--The Jammu and Kashmir governor, Mr L.K. Jha, today promulgated an ordinance to amend the Ranbir penal code and the code of criminal procedure to provide for deterrent punishment for offences relating to religion, rioting and communal affrays.

No new section has been introduced into the two codes by the ordinance, which comes into force with immediate effect. Its highlights are that it provides for enhanced punishment for offences, various measures for expeditious trial including appointment of a special judge and makes the bail provision more stringent.

Significantly, the scope of section 153-A dealing with offences which promote enmity between different groups on grounds of language, religion, race, place of birth and residence, has been widened to cover such offences committed through the press media. It now provides, without prejudice to any other proceedings which may be taken against the printer, publisher or editor, for forfeiture of copies of the offending publications and the printing press or any other material used in producing such a document.

The ordinance released at a press conference here today by the chief secretary, Mr Noor Mohammad, indicates that sections 147, 148, 152, 188, 295, 295-A, 296, 297, 298, 435 and 505 of the Ranbir penal code, modelled on the IPC, stand amended. Similarly, six provisions of the code of criminal procedure have been amended.

Specifically, the punishment to be awarded under sections 295 to 298, dealing with injury to the religious feelings of various communities, is now fixed at a minimum of five years with fine and a maximum of ten years with fine.

Minimum and maximum imprisonment for offences under section 153-A has been fixed at four and ten years against a minimum of three years or fine or both earlier.

Punishment for offences under section 435 relating to mischief by fire or explosive substance has now been enhanced from seven years to ten years' imprisonment. Offenders indulging in rumour-mongering covered by section 505 will now face imprisonment for a minimum period of three years and a maximum of ten years with fine. The punishment for offences under sections 147, 148 relating to rioting and assault on public servants will also attract a stiffer penalty.

Right to Appeal

The investigation and trial process has also been streamlined. It has now been made obligatory on the party of the prosecution agency to complete investigations within two weeks.

All cases relating to offences under the amended sections will be tried by a special judge. The state government will appoint the judge in consultation with the high court. The trial, which will be held on a day-to-day basis, will commence within one week of the charges being presented and will be completed, as far as possible, within three months. [as published]

A convicted person will have the right to appeal to the high court.

Bail for persons arrested under these sections will be granted only when the special judge has given the prosecution an opportunity to oppose the application for such release and has satisfied himself that there are reasonable grounds for believing that the applicant is not guilty of the offence. All orders granting bail will have to be confirmed by the high court after the prosecution has been given an opportunity of being heard.

The chief secretary, giving the background to the ordinance, told newsmen that its promulgation had to be viewed in the light of the recent disturbances and also as the courts had revealed the inadequacy of the existing provisions in the penal code.

Insignificant incidents led to major communal clashes. Fortunately Jammu and Kashmir had, by and large, been free from such disturbances.

A rethinking on the subject had been found imperative for giving deterrent punishment to anti-social elements. In this context the role of the press had also been reappraised. While the press, by and large, had behaved responsibly, there was need to be vigilant to guard against publication of news items which could result in inflaming communal passions.

Replying to a question, he denied that the ordinance was directed against the press or was meant to stifle dissent.

The period for which the ordinance will remain in force has not been mentioned. It will have to be ratified by the assembly which will meet for the autumn session from September 2. There will be no difficulty in its being passed as the ruling National Conference has a comfortable in both houses. [as published]

Meanwhile, Dr Mohammad Ayub has been elected acting chairman of the Jamiat-i-Tulaba in place of Sheikh Tujumal Islam, who was arrested yesterday under the public safety act.

The older generation feels that "the premature move" on the part of the Tulaba had resulted in a setback to the movement.

No untoward incident was reported in the valley today. An official spokesman described the situation as peaceful.

DELHI ASSUMES POWERS UNDER DISTURBED AREAS ACT

Bombay THE TIMES OF INDIA in English 28 Aug 80 p 1

[Text] New Delhi, August 27--The Union government today decided to assume powers to declare an area anywhere in the country as disturbed under the disturbed area (special courts) act, 1976, and to set up special courts in such a place for providing speedy trial of certain offences.

At present this power under the disturbed areas (special courts) act vests in the state governments.

The Union cabinet also decided to amend the act to confer concurrent powers in this regard on the Central government.

The decision has been taken so that the tackling of serious law and order situations warranting immediate attention does not suffer from lack of action by a reluctant state government.

A series of conferences of state government officials and the conferences of governors and chief ministers had approved the need to set up special courts under this law for speedy disposal of cases related to protracted and serious communal disturbances and caste conflicts.

The Centre feels that besides the administrative action to deal with such situations an important factor is speedy trial of cases related to such disturbances so that offenders are promptly punished, a sense of confidence among the people is quickly restored and continuance of tensions on account of protracted trials is avoided.

The cabinet also decided to set up a separate railway service commission at Bangalore to cater to the recruitment needs of group 'C' services of the Mysore and Bangalore divisions of the Southern Railway, Hubli division of the South Central Railway and wheel and axle plant now being set up at Bangalore.

Another decision taken was to bring in legislation to authorise the Centre to take decisions on diversion of forest lands for nonforest uses.

PTI and UNI add: It was not clear whether the government would promulgate an ordinance or wait till the next session of parliament to effect the necessary change in the disturbed area (special courts) act.

Bulk Drug Prices

The cabinet is also understood to have approved some broad guidelines for the revision of the prices of bulk drugs, following the vociferous demand for a hike in their present rates.

While the details would be worked out on the basis of the recommendations of the bureau of industrial costs and prices, the make-up suggested for category-I drugs will be 40 per cent and for category II drugs, 55 per cent.

The cabinet also approved a proposal for revision of fertiliser retention prices from April 1, 1979 on the basis of new worth of the factories as represented by their equity capital and free reserves. This would involve an increased subsidy of Rs 25.34 crores in 1978-79 and Rs 38.36 crores in 1979-80.

A proposal for the conclusion of an agreement with Singapore on avoidance of double taxation has also been approved by the cabinet.

CSO: 4220

INFLUX INTO ASSAM FROM BANGLADESH CONTINUES

Bombay THE TIMES OF INDIA in English 28 Aug 80 pp 1, 15

[Article by Kirit Bhaumik: "No Let-Up in Influx From Bangladesh"--passages within slantlines denote boldface]

[Text] Dacca, August 27. Though the exodus into Assam from Bangladesh has now come down to a trickle, the flow into other states continues unabated.

The sharp fall in the volume of illegal migration to Assam may be owing to the strengthening of the border checkpoints on the Indian side. It may also be partly owing to the agitation in the state which is working as a disincentive for intending migrants to cross over.

The border areas of Mymensingh and Sylhet of Bangladesh are quieter now. One does not see the kind of activity that was evident a year or two ago.

Lack of activity is also noticeable on the border towards the east presumably because of troubled conditions in the Indian states. If the Bangladesh government claims that illegal migration into eastern states of India has come down to an insignificant level, it will be difficult to dismiss it.

/Yet, despite all this, there is hardly any noticeable change in the total volume of illegal migration from Bangladesh into India in the first seven months of this year from that of the last two or three years. The obvious conclusion is that the bulk of illegal migration is now taking place into West Bengal. Checks from various sources indicate that this is indeed the case./

There are some interesting aspects in this illegal migration. The type of migration that used to take place in the decade and a half after partition has undergone a change. At that time the bulk of immigrants belonged to the minority communities seeking refuge in India. Now the pattern of migration conforms more or less to the community-wise population distribution of the country. In other words, for each member of the minority communities crossing into India there are eight members of the majority community doing the same.

One has to conclude from this that the illegal migration to India is basically nothing more than the natural movement of people of densely-populated areas to less crowded regions round and that political divisions and restrictions of international frontiers do not cause much hindrance to it.

/Natural Movement/

Internal conditions in Bangladesh--periodic floods and famines and political turmoils--provide the lever for movement of people across the border. That perhaps is the reason why the volume of illegal migration goes up sharply during the famine years or during the period of political instability. But even at the best of times the volume of migration does not fall below 60,000 a year.

An analysis of the migration in the last seven or eight years brings this out clearly. The movement of people to India rose sharply in the famine year of 1974. The volume of migration grew further in the following year when the country went through a series of coups and political turmoil after the assassination of Sheikh Mujib by a group of army men.

In 1976 and 1977 when the political situation had settled down somewhat and weather conditions were good, the volume of migration had come down significantly. But it rose again sharply in the following two years when there was widespread drought and crop failure.

Despite the serious efforts being made by the Bangladesh government to bring down birth-rate, population growth in the country still remains at 2.7 per cent whereas in adjoining areas of India, the growth rate is 1.9 per cent.

The population control movement in Bangladesh is hampered by the fact that 85 per cent of the population lives in villages where lack of education makes the task of motivation difficult.

Besides, society being conservative the womenfolk remain indoors insulated from modernising influences. On an average, a woman in rural Bangladesh bears as many as seven children.

The situation is likely to become somewhat more difficult in the years to come because of the peculiar age distribution of Bangladesh population.

Presumably, as a consequence of the Pakistan army genocide in 1979, 45 per cent of the people in this country is below the age of 15. With the best of efforts to popularise birth-control methods, it may be difficult to check a spurt in population growth when this group reaches the reproductive age in about another five years.

A new factor has entered the Bangladesh scene whose consequence could be to give another push to movement of people across the border. It is the introduction of petro-dollars in Bangladesh villages.

A small group of people sending in their remittances from West Asia seems to be accelerating the process of land alienation in the countryside. Landless farm workers in Bangladesh constitute about 58 per cent of the rural population and it is estimated that it will grow to about 75 per cent in the next five years if the process continues.

Because of higher population density, the land-man ratio in Bangladesh is higher than that in adjoining areas of India. The land-man ratio in Bangladesh is somewhat lower than in China but the rural people being not as well organised here as in China, the result of the present process can only be increase in unemployment. This is likely to induce a larger volume of migration.

There seems to be little likelihood of a let-up in the problem of illegal migration from Bangladesh at least in the next few years and there is no other way for India but to make up its mind to live with it and plan on a long-term basis how to meet the situation.

CSO: 4220

PLANNERS SET NEW EDUCATION GUIDELINES

Bombay THE TIMES OF INDIA in English 25 Aug 80 pp 1, 7

[Text] New Delhi, August 25--The planning commission has asked for "great restraint" in the proliferation of institutions of higher education.

Further, it wants planning and development of new courses and centres of advanced studies to be directed in a manner that will maximise economic advantages and academic benefits and encourage countrywide mobility among academics.

Government support to the university system will be selective with the emphasis on "critical essential areas."

Facilities for higher technical education will be organised taking into account mainly the future manpower requirements in the nationally relevant scientific and technological fields.

The approach to and organisation of adult education programmes are to be modified. It is to be coordinated with other development activities and programmes and supported by post-literacy continuation education through a network of rural libraries.

The commission document listing some issues and suggestions, circulated among concerned state officials meeting here, notes that despite the network of over 650,000 schools and colleges and the employment of 3.1 million teachers and a budget of the order of Rs 2,000 crores, it has not been possible to achieve universal education of all children up to the age of 14.

Universal Education

It points out that for every three children enrolled in primary and middle schools, one other child is left out. Over 80 per cent of the children not enrolled so far are confined to a dozen states which would not be in a position to allocate the resource back-up to achieve the goal. Nearly 64 per cent of the children who are enrolled in class I drop out by the time they complete class V.

The commission has listed a set of priorities in the field of education during the next ten years.

For the young child, it suggests that the concept of learning and early attitudinal development through play and joyful activities should be articulated across

age groups through an all-round programme, comprehensive in scope, integrated in nature and reinforced over a long time.

The resources and inputs of programmes, particularly under health, nutrition, social welfare, integrated rural development and education, presently devoted to child, family and community welfare, are to be coordinated. Flexibility and diversity could be built in by allowing various agencies to undertake programmes within the framework.

Provision of minimum education to all citizens is to be the topmost priority area. The means adopted may be either formal (through the school systems) or nonformal (through other available systems and media). Age would not be a criterion. No child below 14 years of age is to be deprived of elementary education.

Special attention is to be given to those groups which have remained or were in danger of getting left behind because of their special circumstances such as migrants, nomads, tribals, working children, girls belonging to minority and poverty groups.

To realise these objectives, the approach will have to be somewhat different from that adopted in the past. This is to be characterised by a diversity of models, integration of efforts and selectivity.

The commission feels that a monolithic single model for all diverse grants, which is the pattern adopted so far, is to be replaced by a diversity of models suited to varying needs and circumstances within the framework of priorities. This is to permit flexibility of methods and means of delivery of education and speed of response.

As for integration, at the level of the child, it would involve coordination among health, social welfare and educational agencies, at the level of older children, the youth and adults, it involves the coordination of employment agencies, including work places, economic agencies, social and educational and other developmental agencies.

The need for selectivity is underscored by the fact that in order to cover the priority areas some other segments would get reduced priority.

Keeping these imperatives in view, a set of thrust areas is indicated in the document. Special attention is to be given to educationally backward states to clear the current backlog of enrollment through both formal and nonformal (part-time) courses.

The 10+2 pattern of secondary education is to be implemented effectively in its content, keeping in view its main purpose of enabling a large number of students to receive practical education related to their gainful employment and daily life.

In all other subsectors of education and culture, it is proposed to continue the on-going programmes. The emphasis is to make use of programmes, such as physical education, games and sports, languages development and book promotion and scholarships for the furtherance of broader objectives of national integration, mobilisation of youth power for development activities and the like.

TAMIL TRANSLATIONS SLATED FOR GAZETTE

Madras THE HINDU in English 22 Aug 80 p 9

[Text]

MADRAS, Aug. 21. Tamil translations of five Central Acts, effected by the Tamil Nadu State Official Language (Legislative) Commission, are to be published shortly in the Gazette of India. These are the first among the translations in regional languages to get authorisation for publication from the President, said Mr. S. Maharajan, Chairman, of the Commission, here today.

Mr. Maharajan explained that though the Authorised Translations (Central Laws) Act, 1973, was passed in December 1973, the date of coming into force of its provisions was fixed as April 1, 1979.

The Commission had been told by the Centre that the President authorised on August 16 the publication of the Tamil translations of five Central Acts, including Railway Property (Unlawful Possession) Act, Telegraph Wires (Unlawful Possession) Act and Children (Pledging of Labour) Act, in the Gazette of India. When it was done, Tamil would be the first regional language to "get into" the Gazette, which had been

coming out in English for over a century now, he said.

Apart from these five Acts, Mr. Maharajan said 11 pieces of legislation had already been published in the State and efforts would be made to get them authorised by the President. Translations of 87 other Central Acts had been sent to the Centre for approval.

The Constitution of India, up to the 44th Amendment, had been translated and would be ready for publication soon. The Civil Procedure Code and the Indian Contract Act had been rendered into Tamil and would be published in the Gazette of India in due course. Translation of 41 Tamil Nadu Acts had been completed by the various cells of the Commission and was awaiting clearance.

TRANSLATION OF ALL MAJOR LAWS BY NOV.

The Commission would be ready with Tamil translation of all major laws, by November this year — the deadline set by the Chief Minister for introduction of Tamil

as the language of judgment in civil courts in Tamil Nadu — Mr. Maharajan said.

Mr. Maharajan recalled that on May 31, 1979, the Chief Minister, Mr. M. G. Ramachandran, had announced that in 18 months, arrangements would be made for introducing Tamil as the language of judgment in civil courts subordinate to the High Court in Tamil Nadu. The important Acts, the ones which come up for interpretation or application by civil courts, would be ready by November. The enactments he cited included Negotiable Instruments Act, Transfer of Property Act, Limitations Act and Contracts Act.

Mr. Maharajan referred to the use of Tamil as the language of judgment in criminal courts and said it had been acknowledged on all hands that the quality of judgments had become "superior" to that of judgments written in English in the past. "Magistrates are able to express themselves better, and with greater subtlety, in Tamil than in English", he said.

HAL AGREEMENT WITH MALAYSIA AND BURMA ON HELICOPTERS

New Delhi PATRIOT in English 10 Oct 80 p 5

Text

LUCKNOW, Oct 9 (PTI)— The Hindustan Aeronautics Limited (HAL) is presently engaged to finalising its agreement with Malaysia and Burma for export of helicopters and aero equipment, according to Group Captain Baljit Kapur, chairman, HAL.

The chairman told newsmen here today that having established its credibility regarding production of sophisticated navigational equipment, HAL was currently poised to secure orders for supply of such equipment beides aircraft, helicopters and gliders from various countries.

Along with the production of sophisticated equipment for export, Mr Kapur said, HAL was also manufacturing essential electronic equipment to replace imported equipment now being used by the Indian Air Force.

HAL aimed at indigenously producing aero equipment for replacing existing imported communication and navigational equipment, Mr Kapur said.

He said that the location of a new HAL factory, to be constructed at a cost of over 12 crores would be finalised shortly, to meet the future demands of IAF. The Kanpur factory also would soon raise production to meet the country's requirement of gliders, transport aircraft and aircraft parts, he added.

EXPORT INDUSTRIES GRANTED DUTY-FREE IMPORTS

New Delhi PATRIOT in English 10 Oct 80 pp 1, 9

[Excerpt] In a major concession to industrialists the Government has decided to allow duty-free imports of capital goods, raw materials and components to all the exclusive export-oriented units wherever they might be located in the country. Till now these facilities were available in the Santa Cruz and Kandla free trade zones only.

This has been decided as a part of the Government's strategy to promote exports.

Commerce Minister Pranab Mukherjee, who was inaugurating workshop on "Integrated National Production Base and Export Promotion" in New Delhi, said various details of this scheme were being worked out by the Commerce Ministry. The workshop has been organized by the Federation of Indian Chambers of Commerce and Industry.

Mr Mukherjee also indicated that a special board might be set up to ensure speedy clearance of 100 per cent export-oriented projects.

Explaining the new policy, Mr Mukherjee said in determining whether production in a unit had exceeded the licensed capacity or otherwise, its export would be excluded. With this, the exporters and industrialists could increase their capacity utilisation and produce more for export.

Flexibility of operation within an industrial licence would now be allowed and facilities of automatic expansion would be more easily available to MRTP units in case of good export performance. In order to improve the competitive strength of the exporters, technology would be allowed to be imported on more liberal terms.

CSO: 4220

BHEL MANAGING DIRECTOR DESCRIBES ACHIEVEMENTS

New Delhi PATRIOT in English 10 Oct 80 pp 6, 7

[Article by K. L. Puri, chairman and managing director, Bharat Heavy Electricals Limited]

[Text] The resurgence of Independent India and the genesis of Bharat Heavy Electricals Limited are closely inter-related. Equally epoch-making are they in their respective spheres of evolution. The growth of the two is also closely interlinked.

Starting with practically no expertise, with hardly any resource at its command, except the enthusiasm and the will of the people and with a negligible infrastructure, today BHEL is among the top ten companies of the world which manufacture heavy electrical equipment. It offers the most comprehensive range of products and services to fulfil the ever-growing needs of the Nation in the vital sectors of economy such as Energy, Industry, Transportation, etc. How all this has been achieved in a short span of time and the challenges it had to face during these formative years, makes an interesting study.

Formation

Soon after Independence, the country's planners, under the able guidance of the great visionary Pandit Jawaharlal Nehru recognised the need for quickly augmenting the meagre installed generating capacity of about 2500 MW available at that time, in order to promote rapid industrialisation. The choice lay between continuously importing the generating and other equipment which would mean large outflow of foreign exchange and also continued dependence on foreign source for equipment requirements, and developing internal capabilities for the manufacture of generating equipment which meant a slow and formidable task of developing skills and expertise. The planners were in a dilemma. However, after indepth studies by various high level committees, the Government finally decided, thanks to the foresight of the planners, to set up a factory in the public sector. [as published] Thus the first Heavy Electrical Equipment Plant was set up in the country at Bhopal and a new company under the name of Heavy Electricals (India) Limited was registered on 29th August 1956 to manage the Bhopal unit. This factory which was set up in collaboration with M/s Associated Electrical Industries Ltd., UK went into production in July 1960 and was dedicated to the Nation by Pandit Jawaharlal Nehru on 6th November 1960.

While the Bhopal factory was being set up, the Government realised that one factory alone will not be able to meet the increasing needs of the country in respect of Heavy Electrical equipment and hence three more factories (one at Hardwar with Soviet collaboration and one each at Hyderabad and Tiruchi with Czechoslovak collaboration) were planned to be set up. Initially all the four factories were working under one Management. Soon it was felt that for accelerating the pace of construction work and assimilation of the different technologies of the three new factories, it would be better to have a separate organisation and thus a new company by the name of Bharat Heavy Electricals Limited was established in 1964 to manage the new plants at Hardwar, Hyderabad and Tiruchirapalli.

Merger

The two companies under two separate managements were progressing at different rates despite the initial set backs and teething troubles. With the rapid increase in demand for power it became evident that the two companies had to be merged for bringing about optimum utilisation of scarce resources, rationalisation in product mix, economies of scale in manufacture, synthesising the different technologies and above all improving the service to customer. In January 1974, the two companies viz HE (I) Ltd. and BHEL merged to form the present BHEL.

Growth

BHEL has grown to a position whereby it did a business of over Rs 700 crores in 1979-80 and has set a target of Rs 775 crores for the current financial year. The moving force behind this immense growth is its vast reservoir of human skills--over 66,000 people.

Organisationally BHEL has kept pace with the growing needs of the country and today BHEL has 19 Divisions out of which 9 are Manufacturing Divisions. To expand the business levels BHEL has resorted to vertical integration and also acquisitions and merges. The Seamless Steel Tube Project at Tiruchi and Central Foundry Forge Plant at Hardwar are vertical integration projects for supplying the components which were hitherto being imported. Radio and Electricals Manufacturing Co. (REMCO) and Mysore Porcelains Limited at Bangalore are examples of acquisitions for resuscitating the sick industries and providing expansion in the business of Electronics and Electro Porcelains. [as published] A modern and well laid out Transformer factory, a second generation plant, has been established at Jhansi.

Achievements

BHEL has carved a niche for itself in the field of power development in the country. [as published] Since inception, equipment with a generating capacity of over 19,000 MW has been manufactured, out of which over 11,000 MW has been added to the country's installed generating capacity. During the current year alone it is envisaged that around 2170 MW of BHEL equipment will be commissioned which accounts for 86% of the proposed addition to country's generating capacity during the year. BHEL's contribution to other sectors of the economy i.e. Industry and Transportation is equally impressive.

Since inception equipment valuing over Rs 3700 crores has been supplied to the various customers. BHEL's contribution to the Nation's progress cannot be

measured only in terms of Megawatts or in crores of rupees. The greatest achievement has been the creation of a launching pad--made up of human resources with a high degree of sophisticated skills and expertise--based on the strength of which no heights are unattainable.

Export

The success achieved by BHEL in the domestic market and the desire to meet the country's objective of earning valuable foreign exchange, prompted BHEL to enter the Export field. BHEL's capabilities in the field of power and industry have earned world wide recognition.

BHEL has so far exported its equipment and services to over 30 countries including South-East Asian, African and Middle East countries.

Research & Development

Having absorbed the know-how from different collaborations in the earlier stages, the thirst for know-how is ever increasing among the Engineers of BHEL.

Conscious of its responsibilities in making the country self-reliant, BHEL has established a fully equipped Corporate Research & Development Division which is conducting major research programmes connected with our products. The Corporate R&D is continuously engaged in modernising design and engineering at BHEL, to enable creation of products and services that will meet the requirements of the country--both today and in the future.

Public Exchequer

Since inception, BHEL has contributed more than Rs 1000 crores to the Exchequer by way of taxes, duties and dividends.

Infrastructure

BHEL has helped to organise the development of Ancillaries around its Manufacturing Divisions as a result of which more than 130 Ancillaries have come in the vicinity of BHEL Divisions, providing employment opportunities for the people around.

Social Responsibilities

On the social and welfare side, BHEL has had a progressive attitude and policy. BHEL employees enjoy township, medical and other welfare benefits that compare favourably with other companies in the country.

Today BHEL has 5 Townships with more than 23000 houses and a population of over 2 lakhs. The number of hospitals and dispensaries are 26 with approximately 900 beds. There are 74 schools imparting education to over 50,000 students.

The Future

It is a matter of great satisfaction especially when one looks back at the hurdles and challenges that one had to encounter and the trials and tribulations

that one had to pass through on this path to success. But BHEL is not going to rest on these laurels.

The ambitious power development programme of the country offers immense opportunities for the growth of BHEL. Conscious of its responsibilities to the Nation, BHEL is gearing up to meet the requirements of the country. With the various investment schemes amounting to approximately Rs 300 crores, BHEL's business level is expected to reach about Rs 1200 crores by 1983-84. [as published]

BHEL is aware of the areas that need improvement. It is fully conscious of its responsibilities to its valued customers. It has the determination and the strength to overcome obstacles and forge ahead to fulfil its obligations to the country and its customers.

CSO: 4220

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NUCLEAR SUBMARINE MODERNISATION STRESSED

INDIAN EXPRESS - INDIA In English 21 Aug 80 p 8

[Editorial: "Navy's Submarine Arm"]

[Text:]

With the Union government's decision to first acquire and then manufacture under licence West German HDW-1500 submarines, the decks are at last clear for the much-needed modernisation of the navy's submarine arm. The F-class Soviet submarines in service at present are of the late 'fifties' vintage and are fast becoming obsolescent. Meanwhile, the country's stakes in the seas are mounting almost by the day. It is not merely that a long shoreline and a 200-mile-wide exclusive economic zone with its off-shore oil and incalculable under-water wealth have to be protected, important though this is. The country cannot possibly afford to ignore the growing big power rivalry in the Indian Ocean, more particularly the frantic U.S. efforts to build naval bases in Diego Garcia, Oman, Egypt, Kenya and so on. While adequate notice has been taken of these ominous developments close to our west coast, due attention has not yet been paid to equally disturbing developments in the south China sea which too has become an area of tension and conflict. Consequently, naval activity of the rival powers close to the Andamans islands and through the Andaman straits has increased. Altogether, therefore, both the western and eastern fleets of the navy need to be adequately equipped to protect and police Indian shores, the exclusive economic zones and the sea routes of vital importance to this country.

From this point of view an ocean-going submarine of a modern design like the HDW-1500 should be a good

acquisition. It will play a useful part in the integrated, three-dimensional naval defences that must embrace marine reconnaissance and tactical air support at sea, surface patrolling by warships and the under-water vigilance by submarines. On technical grounds also the expert committee appointed to pick the most suitable submarine appears to have made the right choice. For HDW-1500 is superior to all the other submarines offered by Sweden, Italy and another West German firm, Thyssen. A comparable but much less costly Soviet submarine was not taken into consideration, however, presumably because the Russian offer was received rather late. It is also no secret that the navy regards the Russian submarines too noisy and has been pressing for one that would make less noise during operations. Moreover, a diversification of the sources of military hardware is a basic tenet of this country's defence policy. In any case, a lot of time has already been spent in the debate over the choice of the submarine and the country has gone in for a highly sophisticated and costly one. It is imperative therefore that the terms for the west German collaboration in the production of HDW submarines at Bombay's Mazagon docks are negotiated without any further delay. The transfer of technology will be the key question in this connection. For India must become self-reliant in the complex business of submarine manufacture, as in other areas of defence production, as speedily as possible.

REF: 4220

ARMS MANUFACTURE CALLED NEW COTTAGE INDUSTRY

Madras THE HINDU in English 24 Aug 80 p 2

[Article by G.K. Reddy: "Lucrative Market for Clandestine Arms...Increasing Use in Riots"]

[Text] A flourishing cottage industry in many parts of northern India, next to illicit distillation, is illegal manufacture of firearms and ammunition. The local blacksmiths, operating secretly from make-shift foundries, manage to copy standard military weapons with locally available materials that are good enough for improvisation.

The weaponry turned out by them with old-fashioned lathes and grinding machines ranges from rifles and revolvers, crude bombs and grenades to Molotov cocktails and incendiary charges, pillet packs and cartridges. The less enterprising establishments utilise their spare capacity for making spears and spikes, daggers and knives.

There is a lucrative underground market for countrymade arms and ammunition, supplemented by stolen weapons from ordnance factories and army depots, besides the highly sophisticated items that had fallen into unauthorized hands during sub-continental conflicts. The prices of these illegal arms range from phenomenal amounts offered for Western-made automatic weapons to a mere fraction of these sums for locally produced replicas of original designs.

The possession of a modern weapon with an adequate supply of ammunition is a status symbol in the underworld. These illegal weapons are freely used by hardened criminals for armed dacoities, murders, hold-up of buses and trains. A disquieting feature of this death trade is the increasing use of such arms in communal riots and other forms of civil commotion.

It used to be the virtual monopoly of gun-makers in the tribal belt along the old North-West Frontier Province in British days to manufacture replicas of army rifles and sell them clandestinely to those prepared to pay the price. The British did not enforce the law too rigorously in adjoining Punjab, Sind and Baluchistan, where the owners of these illegal arms were allowed to obtain licences on payment of token penalties without too many questions being asked about their acquisition. But it was quite unknown in the rest of British India that illicit arms could be obtained so easily and their possession regularised subsequently.

The arms laws were enforced strictly in Bengal to curb terrorism, while in the south the people were reluctant to possess even licensed arms which exposed them to the hazards of theft of such weapons. The people by and large did not want to own firearms, except in some special cases for self-protection, because they would be legally accountable even for unauthorised uses made without their knowledge.

But after World War II, the whole picture changed with the flow of Japanese arms into the North-East region. The two million Indian troops who were demobilised returned to civilian life with licensed or unlicensed weapons, some of which were quietly sold to people willing to pay the price. The partition riots saw large-scale use of fire-arms by civilians in the northern States.

The communal tensions that continued to prevail provided the necessary spur for clandestine manufacture of arms in riot-prone areas either for self-defence or aggressive action. A town like Moradabad became one of the major centres of arms trade in U.P. and the evil spread to adjoining Delhi where the lethal weapons of all kinds continue to be sold in the walled city under the very nose of the Union Government.

The two Indo-Pakistan wars of 1965 and 1971 led to a further increase in the fall of military grade weapons into civilian hands in Punjab, Jammu and Kashmir and Rajasthan in the west, and Bihar, West Bengal and the North-eastern States in the east which were in the front-line of the military operations. Though the Union and the State Governments made a concerted effort to recover the arms that were distributed to civilians for their defence or had been left behind by the withdrawing Pakistani forces, the actual recoveries did not amount to even 10 per cent of the estimated quantity of such weapons in circulation.

The arms captured from dacoits, communal elements, smugglers, army deserters, political extremists, bank robbers and hardened criminals over the years bear both Indian and Pakistani, Soviet and Chinese, American and British, German and Japanese markings, ranging from World War II vintage weapons to highly sophisticated automatic ones in current military use both in the west and the east.

The mere fact that a weapon bears the markings of a particular country is not conclusive evidence in itself that it has been supplied by that country to foment trouble. The weapons the Western powers have been giving to the Afghan insurgents, for example, are of Soviet origin, while at one stage the Soviets used to send American-made weapons to the African nationals to fight white racism.

A couple of years ago the Indian security agencies intercepted a big consignment of rifles of West European origin from some underground elements in Nepal. It was subsequently established that the government of the country from where the shipment had originated had no knowledge of it.

A few of the Chinese weapons initially given to the Naga and Mizo rebels have found their way to notorious dacoits in Chambal Valley in Madhya Pradesh including bren guns and sten guns besides enfield rifles with old British markings which are still used by some secondary units of the Indian army and para-military formations.

The flow of foreign money in support of political or communal causes is not always followed by the induction of foreign arms. The foreign powers attempting to influence the course of events in countries like India have no need to arm their clients, as in the case of Angola, Lebanon or Ethiopia, since the same objective can be achieved by other means without attracting the accusation of covert intervention.

It is unwise, therefore, to jump to conclusions that the Arab financial assistance for Islamic organisations or institutions in India is tantamount to financing the purchase of weapons by Muslim militants for use during communal riots. The Arab money, more prudently utilised by the recipients for the propagation of Islamic culture, would subserve the Muslim cause much better than by engaging themselves in a communal confrontation with their Hindu brethren.

The Government is, no doubt, discouraging this idle talk of Arab money being used by Indian Muslims to buy foreign weapons, but it is unwittingly playing the game of those propagating this very theme by giving credence to the conspiracy theory that the unmistakable pattern behind the latest riots is indicative of some sinister design behind it.

There are no gun-runners as such operating in India ready to sell and deliver foreign arms for a price. Nor are there well-entrenched foreign interests engaged in dark conspiracies to involve this country in a civil war, a communal upheaval or a revolutionary crusade. The few foreign arms lobbies at work in India will be quite content with securing contracts for the supply of some aircraft, tanks or submarines with a good margin of profit.

The real danger lies in the predisposition of the country's politicians to identify themselves with foreign causes for ideological or tactical reasons. One can be friendly with the Arab countries without having to adopt an apologetic attitude over their attempts to promote Islamic fundamentalism. One can be equally appreciative of Soviet achievements without giving them the benefit of doubt over Afghanistan. One can admire American libertarianism without justifying U.S. behaviour in all situations. The Indian response to the behavioural patterns of various powers has to reflect the country's enlightened self-interest.

Another typical Indian aberration is to blame the intelligence services for every failure. The intelligence establishment can forewarn the politicians in power of impending troubles if they are prepared to listen and take preventive action. It is no use telling the Government of deepening communal and parochial tensions, when both the ruling party and the Opposition have been competing with each other in wooing these very elements to gain some electoral advantage.

The mere fact that there are nearly a million soldiers and half a million paramilitary personnel at the disposal of the Centre, and another one million civil policemen and a quarter million armed constabulary in the States, will not mean much if those in power do not have the capacity or determination to utilise them in moments of crisis to deter the trouble-makers, punish the culprits and protect the innocent citizens.

The Government can put the fear of God into all those possessing licensed or unlicensed arms, whether indigenously made in the backyards or brought in clandestinely from abroad, if it is able to get the message across in good time that those who fire from the roof tops, burn the bustees, kill innocents, loot trains and rob the people would be shot at sight. And before anything else can be done, the shattered morale of the bureaucracy has to be restored and those in power must stop playing favourites.

CSO: 4220

PLANNING COMMISSION INCREASES GRANT FOR NAGALAND

Calcutta THE STATESMAN in English 26 Aug 80 p 9

[Text] Kohima, Aug. 25--The Planning Commission has allotted an additional Rs 3.45 crores to Nagaland bringing the total amount to Rs 36.03 crores for 1980-81, up from last year's allocation of Rs 29.69 crores, reports UNI.

Nagaland's Chief Minister, Mr J.B. Jasokie, told reporters today that the Planning Commission had also granted Rs 1 crore especially for developing the State's backward areas.

He said the amount would be spent for the construction of approach roads and for the spread of education in Tuensang and Mon districts and Aginuto, Peren and Meturi subdivisions. The additional amount included a token provision for the construction of the Secretariat building, the Assembly Secretariat and the High Court complex here, he added.

The Planning Commission has also agreed to provide Rs 5 lakhs each for the construction of a town hall and a State library building in Kohima. Besides, Rs 25 lakhs had been earmarked for producers and growers of sugarcane and for the construction of feeder roads.

Mr Jasokie said the Planning Commission had approved the State's proposal to set up a Coffee Plantation Corporation. Initially, 4,000 acres would be brought under cultivation during the 1980-81 under eight pilot projects. The State Government would provide incentives to farmers in the form of seedlings and subsidy.

He said the Planning Commission had also approved the construction of a 10 storied Nagaland House in Calcutta. It would fetch a net annual revenue of Rs 50 lakhs after its completion.

CSO: 4220

NANAMU GIVES DETAILS ON NEW BHEL LABORATORY

New Delhi PATNID in English 10 Oct 80 p 2

[Article by A. Madhava Rao, General Manager (Transmission & Utilisation)
BHEL-BHOPAL.]

[Text] **T**HE development of power supply system in India has reached a stage when transmission at extra high voltage of 400 KV is being introduced extensively and transmission at ultra high voltage needs serious considerations in the context of transmission of bulk power from super thermal power stations and major hydro power stations to distant load centres. The security of power supply depends to a considerable extent on the reliability of all its constituent components and equipment. As such it is essential to carry out stringent testing of equipment as per the relevant national/international standards.

In May 1974, BHEL secured the first order for 400 KV power transformers from UPSEB against stiff global competition. BHEL braced itself to manufacture a wide range of 400 KV class equipment like power transformer, instrument transformer, reactors, switchgear and bushings with the decision of 400 KV as the transmission voltage in the country. To prove the compatibility of design of the equipment with the operating conditions of the system the equipment is to be tested at the manufacturers' works. For the development of new designs/products the test data has got prime importance.

The Ultra High Voltage Laboratory at BHEL, Bhopal, which has been set up at a total cost of Rs 5 crores, provides adequate testing facilities for all high voltage

equipment for product as well as development work. The laboratory has the pride of being placed among five or six foremost laboratories of its kind in the world.

Wide ranging tests can be carried out in the UHV laboratory. Most significant of them being lightning and switching impulse, power frequency dielectric test, partial discharge and RIV measurement, artificial rain test and artificial pollution tests of different high voltage equipment. The laboratory also provides facilities for all routine and type tests in power transformers and reactors and thermal stability tests on bushings.

The main hall of this laboratory has clear internal dimensions of 67 m length x 35 m width x 35 m height, which will be sufficient to test up to 1100 KV class of equipment in future. The main hall comprises double wall-steel construction, the outer wall serving as weather casing. The access to main hall is through two special doors measuring 10 m x 15 m height and 6 m x 15 m height respectively.

A number of unique and special constructional features have been adopted for UHV laboratory. Shielding, which is required to avoid disturbances from nearby radio stations and other electrical equipment in factory during partial discharge and RIV measurements, has been provided—the inner wall and false ceiling are made up of Galvanised

iron sheets welded to each other and connected to earthing for electrical continuity. A perfect earthing has been achieved by the use of copper mesh laid in the floor. The complete hall has been acoustically treated with sound-proofing material so that noise generated during tests are well attenuated and do not affect persons working in the laboratory.

Two air cooling plants have been installed to provide cooled air during temperature tests on large power transformers. Fresh air or air through washer can be circulated as desired. As no projections are allowed into the hall, all the arrangements have been skilfully sandwiched in steel wall construction of RCC works.

A pollution chamber with dimensions of 15 m x 15 m x 20 m height has been constructed and the high voltage supply to this chamber is through a 750 KV wall bushing from the main hall. A large transformer and reactor hall has been provided which houses 3 numbers 13.33 MVAR, 11/00 KV testing transformers, 3 nos. 3.33 MVAR, 11 KV reactors and other equipment required for measurement in the sub-station. A 2500 gallon per minute cooling tower meets water requirements during temperature test.

Adjacent to the transformer hall and having access from main

hall a 42 m high structure lift well and staircase have been constructed. This provides access to different parts of the building and top roof for maintenance, functional requirement, etc. A small workshop with basic machine tools has been set up to meet development requirements.

The UHV laboratory is equipped with a number of sophisticated test equipment bought from world leaders in the manufacture of such equipment. [as published] Amongst others, the major test equipment comprises 400 KV, 400 KWs impulse generator, 1500 KV cascade connected testing transformers, 500 KV, 15 KWs impulse generator, 750 KV wall bushing, 3 nos, 13.33 MVAR, 11 KV reactors, 66 MVAR, 156 KV, 3 phase capacitor, partial discharge and RIV meter. A 2.5 m dia x 3.6 m height oil tanks for dielectric and thermal stability testings and bushings have also been provided. [as published] All the above test equipment are fully equipped with the most modern measurement and recording devices.

For material handling and movement items--a 10-ton electrically operated crane has been provided and a new transport system based on air cushion principle provides facilities for movement of heavy objects and transformers weighing up to 400 tonnes. Transformers from manufacturing block will be transported on air cushion. A mobile hydraulic adjustable platform is also available for making connections with ease up to a height of 16 m and in a radius of 4 metres. All the test equipment have been made mobile either on wheels or aero-casters. This provides better flexibility of test areas.

The UHV laboratory has been provided with excellent service facilities with lighting on the main hall and halogen lamps in the ceiling. Different services like water, power, compressed air and oil have been furnished all along the laboratory with outlets at different points.

The complete work of planning, specifications, design, supervision during, construction erection and commissioning of UHV laboratory have been done by BHEL engineers.

This national asset in the field of high voltage technology extends its facilities also to other manufacturers besides BHEL.

CSO: 4220

INDIA

GOVERNMENT CLEARS ORISSA ALUMINUM PROJECT

Madras THE HINDU in English 22 Aug 80 p 9

[Text] New Delhi, Aug 21--India's biggest mining project, the Rs. 1,620 crore alumina complex in Orissa, has been cleared by the Public Investment Board of the Central Government.

Cabinet approval will follow immediately as it is only a formality after the project's clearance by the high-level PIB. Besides, the massive investment on the project has been underwritten to a large extent by the French Government. [as published]

Following the French President's visit here early this year, an agreement was signed providing for a comprehensive financing package for the project.

The project alone is estimated to cost Rs 1,370 crores and the additional infra-structural facilities like new railway lines and coal mines about Rs 250 crores.

French Assistance

French assistance will consist of Rs 340 crores of governmental aid and Rs 610 crores of credit by a consortium of French banks, making a total of Rs 950 crores. Thus the bulk of the expenditure on the project proper will be met by the French.

The loans will be repaid largely through exports. But unlike in the case of the Kdremukh project where the iron ore concentrates were wholly earmarked for Iran, India can export alumina from the Orissa complex to other countries.

The complex will have an integrated plant with an annual capacity of 800,000 tonnes of aluminum.

Since the aluminum industry is highly power-intensive, the Orissa complex will have a captive thermal power plant of 750 MW capacity. This alone is estimated to cost Rs 450 crores. The thermal station will be located alongside the aluminum smelter in the Talcher coalfield area.--UNI.

CSO: 4220

YEARLY BONUSES FOR INDUSTRIAL WORKERS DECREED

Bombay THE TIMES OF INDIA in English 22 Aug 80 pp 1, 7

[text] New Delhi, August 21--Industrial workers will be paid a minimum bonus of 8.33 per cent of their annual wages, the same as in the past three years, under a presidential ordinance promulgated tonight.

The ordinance, which received the Presidential assent this evening, also retains the maximum at 20 per cent.

All wage-earners in the industrial sector getting up to Rs 1,600 will be entitled to bonus. But the maximum payment in terms of the ordinance will be computed on the basis of annual wages of Rs 9,000.

Thus, while in its key provisions, the 18-page ordinance makes no departure from the formula followed hitherto, the labour minister, Mr T. Anjiah, explained that it would no longer be a year-to-year decision but a permanent feature. This will be done through a parliamentary enactment replacing the ordinance.

Asked why, for computation of the maximum payment, the ceiling of monthly wages of Rs 750 was retained, a ministry spokesman said the decision was prompted by compulsive reasons of the state of the economy.

Profit-Sharing

He said bonus would have to be paid by all industrial establishments whether they had allocable surpluses or not.

Also, any agreement between employers and employees on linking bonus with production or productivity or as a form of profit-sharing will not bar the minimum payment fixed under the ordinance.

It does not cover departmental undertakings like those of the railways and the P. and T. as the formula to be followed in such establishments had been settled between the government and the concerned unions, linking payment with productivity.

Banking companies and the Industrial Reconstruction Corporation, however, remain within the purview of the Payment of Bonus Act.

In view of the imminent festive season that starts with Onam in Kerala this week-end, the process of drafting the ordinance by the law ministry, referring it to the Prime Minister and finally submitting it to the President for his assent was carried out on a single day. The quantum was fixed by a cabinet decision yesterday.

Explaining the features of the ordinance, the minister stated that "uncertainty about payment has ended now." Ad hoc decisions would no longer be necessary.

He said the ordinance reflected the concern of the Prime Minister, Mrs Gandhi, for the weaker sections, particularly the working class.

The minister hoped labour would respond by concentrating on increasing production and productivity. He urged the working class and the employers to fully support the Prime Minister in her efforts to bring the economy out of the present "low production-high prices trap."

By declaring the permanent nature of the decision the government has conferred formal recognition on the workers' right to bonus.

It ends a long-standing controversy over the principles on which bonus is to be paid to industrial workers.

The first Payment of Bonus Act was enacted by Parliament in 1965, but some of its provisions were struck down by the supreme court when challenged by employers. This necessitated a series of amendments and in 1973 the minimum of 8.33 per cent was fixed, but it was again amended in 1975, reducing the minimum to four per cent. It also stipulated that no bonus was to be paid if there was no allocable surplus in future. This caused widespread resentment among workers until, in 1977, it was again restored to 8.33 per cent.

Since then parliamentary enactments have been on a year-to-year basis. The ministry meanwhile received several proposals for amendment of the present act. These included suggestions for making the 1977 decision a permanent feature, extension of the act to new areas and changes in the formula for computation of bonus. Some proposals sought conversion of a part of the bonus or the entire amount to retirement benefits, re-employment relief and the like.

The latest decision comes after a detailed study of these proposals and consultations with the concerned interests.

PTI adds:

Payment of bonus by banking companies and the Industrial Reconstruction Corporation was discontinued during the emergency. These organisations were brought within the purview of bonus ordinances during the last three years.

BILL NOT APPROVED

The Union cabinet, which held detailed discussions on the bonus issue last night, did not approve of a new bonus bill, shaped by Mr. Asish, which sought to provide long-awaited comprehensive legislation on bonus.

Besides providing for 8.33 per cent bonus, the proposed bill was understood to have envisaged raising the ceiling from Rs. 240 to Rs. 1,500 and a higher maximum of Rs. 2,500 for salaried people for the entitlement of bonus.

Replying to question, Mr. K. S. Raghupathi, Union labour secretary, said the ordinance was a "permanent measure" and there would be no ad hocism in the matter of payment of bonus to workers.

He told another questioner that this ordinance provided for the payment of bonus not only for 1979 but also for every year thereafter.

BHEL NAMED NATION'S TOP ENGINEERING COMPANY

New Delhi: PATRIOT in English 21 Aug 80 p 10

[Text]

The public sector Bharat Heavy Electricals Ltd continues to be India's top engineering company, according to a survey of top 100 engineering concerns made by the Association of Indian Engineering Industry.

The survey covers the years 1977-78 and 1978-79. The ranking is on the basis of sales performance. All companies whose sales exceeded Rs 10 crore have been included in the survey.

TISCO has slipped to the third position from the second spot, which it occupied in the previous year. TELCO, a sister concern of TISCO has come to the second position.

Dividends of the hundred companies increased by 25.2 per cent over the two years under con-

sideration, profit after tax by 41.1 per cent, profit before tax by 25.2 per cent, interest payment by 4.2 per cent, depreciation by 13.7 per cent, repairs to building and machinery 23.6 per cent, salaries, wages, bonus, provident fund and welfare expenses 14.3 per cent, fuel and power consumed 18.5 per cent, raw materials, components, stores and spares consumed 12.1 per cent.

The survey does not give a break-up of these outgoings as between public and private sector companies.

According to the study, the aggregate sales of the 100 companies totalled Rs 5516.87 crore in 1978-79 as against Rs 4806.08 crore the previous year, recording an increase of 19.6 per cent. The value of production increased by 19.7 per cent over the

same period. The total expenditure of the 100 companies also increased by 17.6 per cent, going up to Rs 640.07 crores.

Gross profits as percentage of sales turnover fell from 7.3 per cent in 1977-78 to 7 per cent in the following year. This was chiefly on account of electric machinery and aluminium sectors, where the expenditure on power showed a big hike.

Taken independently, gross profits increased from Rs 275.81 crore in 1977-78 to Rs 345.27 crore in 1978-79.

Exports stood at Rs 375.58 crore in 1978-79 as against Rs 276.48 crore the previous year, marking an increase of 35.8 per cent. However the number of exporting companies was 91 in both the years.

NATIONAL EXPORTS TO ROK SUFFER SETBACK

New Delhi PATRIOT in English 21 Aug 80 p 3

[Text] Seoul, August 20 (PTI)--A renewed export drive by South Korea and the virtual rout of Indian red pepper in the Korean market has resulted in a big trade deficit for India with this country during the first half of this year.

While South Korea's exports to India have been boosted by 178.9 percent of what it exported during the first half of last year, India's exports have suffered an alarming reversal. According to official sources, Indian exports stand at about 20 million dollars till 31 May, this year as against 83 million dollars during the corresponding period last year.

The deficit is mainly due to the export drive launched by the Koreans to offset a 6 billion dollar balance of payment deficit and a 28 per cent inflation rate. South Korea boosted its exports by 59 per cent, this year.

A bumper chilly crop in South Korea nearly eased out Indian red pepper, one of India's main exports to this country. India exported red pepper worth 1.3 million dollars during the first half of this year as against last year's impressive shipments of 30.45 million dollars.

South Korea, with its exports to India of 69 million dollars worth of goods during the first half of this year, has already crossed last year's total exports to that country.

South Korean officials said they were trying to offset this imbalance by increasing imports from India. Particularly that of iron ore for their Pohang integrated steel mill.

CSO: 4220

KUDREMUKH ORE SLEATED FOR OTHERS THAN IRAN

From the 100 TIMES OF INDIA in English 24 Aug 80 p 7

[Copy]

BANGALORE, August 23

AS the "count-down clock" showed zero at the Kudremukh headquarters this morning, a nominal quantity of iron ore from the nation's biggest mining undertaking began to flow into the 67-km-long pipeline from Kudremukh to the Mangalore port.

The inauguration of the integrated operations of the Rs. 647 crore project dead on time was a token affair, without any ceremony. There were no ships at the Mangalore port to transport the ore to Iran, as should have been the case if Iran had honoured its commitment to receive it.

"Our happiness and pride are limited," said Mr. K. C. Khanna, chairman of the Kudremukh iron ore company, in an interview. "As far as we are concerned, a massive task assigned to us has been completed. In fact, we have been able to beat the clock and save 70 million dollars of the estimated expenditure."

A question mark still hangs over the Kudremukh project because there is yet no buyer for its ore. Iran, which should have taken it under the Indo-Iranian agreement, is unable to lift the stock.

Mr. Khanna has informed the Prime Minister, Mrs. Indira Gandhi, of the completion of the project. He has also written to the Italian authorities "politely" telling them that if they are unable to fulfil their part of the contract "we shall have no option except to sell the ore to a third country."

PENAL CLAUSES

Mr. Khanna's reference was to the terms of the agreement which has penal clauses if any partner-country fails to honour its commitment. Under the agreement, signed in November 1975, the project was to be completed by September 1980 by India and Iran should have started to receive the ore. Construction of the Kudremukh project has been completed one month in advance.

The penalty now applicable to Iran

for its default provides for sale of the ore by India to a third party and in case it gets a price less than the one agreed to by Iran the difference is recoverable from Iran.

A work force of nearly 20,000 was employed at the peak period of its construction. Now only 1,800 workers remain.

Mr. Khanna said he would ask the Steel Authority of India (SAIL), of which he was appointed chairman recently, to absorb some 20 senior and experienced engineers of Kudremukh. "We cannot afford to lose their talent", he added.

The first quantity of 1,100 tonnes of Kudremukh ore in a slurry form flowed to the Mangalore port at 6 a.m. today. If Iran had kept its promise the quantity would have been 5,000 tonnes. The daily production of 1,100 tonnes will be kept up for another 15 days because, although there is no buyer at present, "We cannot mothball the Kudremukh project," Mr. Khanna said.

FUTURE OF KUDREMUKH

From what Mr. Khanna said it was apparent that if Iran were to decide even at this late hour to use Kudremukh ore by reviving its steel plant project it would need only 4.5 million tonnes a year, instead of 7.5 million tonnes a year it had contracted for with Kudremukh. So it appeared that India would have to look out for buyers for the ore in any case.

Mr. Khanna spoke with subdued optimism about the future of Kudremukh. Exploratory teams of the government of India were in touch with Nigeria, Algeria, Rumania and Malaysia regarding the sale of Kudremukh ore. There had been an inquiry from Malaysia about collaboration with India and Japan in the use of the ore.

Some Arab countries were also interested in Kudremukh ore for their steel plants based upon the direct reduction process.

On processing, Kudremukh ore was found to have 68 per cent iron (Fe), against 66.5 contracted for with Iran.

SOVIET, INDIAN TECHNICIANS DISAGREE OVER PLANT

Calcutta THE SUNDAY STATESMAN in English 24 Aug 80 p 7

[Text] Russian and Indian technicians, engaged in the construction of the country's first shore-based steel plant at Vishapakatnam, are stated to have differed on the technology to be used at the steel plant.

Admitting that such a difference has cropped up, the Union Minister for Steel and Mines, Mr Pranab Mukherjee, said in Calcutta that there was nothing unusual about it and that it would soon be resolved.

The Minister said that the difference was over the procedure to be followed for the casting of ingots. A debate was now going on whether to accept the continuous or the "bloom" method of casting. This point was being debated all over the world and there was nothing new about it. He said that preliminary works, like earth filling and other civil work, for the Visakhapatnam plant had been taken up in right earnest and he was confident the particular technical problem would not stand in the way of the construction schedule.

Mr Mukherjee said that the Government had received offers of technical assistance from Britain, West Germany and Romania for construction of the other proposed short-based steel plant at Paradip. The proposals were now being studied by the Government.

The Minister expressed concern at the fall in saleable steel production at the integrated steel plants for lack of power and coal supplies. Power shortage at the plants, he said was the main reason for the drop in production. The problem was particularly acute at the Durgapur and Bokaro steel plants which received the bulk of their supplies from the Damodar Valley Corporation.

A large quantity of ingot had accumulated at the steel plants as these could not be rolled into saleable steel at the rolling mills for lack of power supply. The accumulated stock of ingots would be about 700,000 tonnes, the Minister added. Most of the accumulation was in the Bokaro and Durgapur plants. The Government was worried about the disposal of the accumulated ingots because this had resulted in a large capital block.

The latest situation report indicated that the power position might shortly improve at the Rourkela and Bhilai plants, but production at Durgapur and Bhilai would continue to remain low till power supply from the DVC improved. Mr Mukherjee proposed to take up the matter of power supply to the steel plants with the Union Energy Minister. The Durgapur plant was now receiving less than half its power requirement of 185 MW he added.

COMMERCE MINISTER SAYS EXPORT PICTURE IMPROVING

New Delhi PATRIOT in English 24 Aug 80 p 1

[Text] Country's export performance is looking up only "bit by bit" and the realistic picture will emerge after the end of September, Union Commerce Minister Pranab Mukherjee told newsmen in an informal chat on Saturday.

The state of uncertainty is mainly due to the protectionist policies of the European Economic Community and the countervailing duties imposed by the USA on India's exports.

Mr Mukherjee said that a series of discussions have been held with these countries, and the Indian position has also been articulated through international foray but the talks so far have not reached any happy conclusion.

A conscious effort has to be made to step up exports if the trade gap must be bridged, the Commerce Minister said. Reduction in dependence on imports and the consequent narrowing down of the gap could be effected only if the import of steel, cement, aluminum and edible oil could be brought down, he added.

This was possible as the country had sufficient capacities in these fields. With the improving infrastructure position these capacities could be exploited, Mr Mukherjee said.

The export of one million tonnes of rice is being sought this year. Four lakh tonnes have already been contracted with the USSR.

The Commerce Minister also said that production facilities at the free trade zones of Kandla and Santa Cruz would be augmented with a view to giving exports a boost.

Karnataka, West Bengal and Goa had also approached the Centre with proposals to set up free trade zones, he said.

The Minister also talked of the Government's resolve to increase the capacity in the mills sector. Details will be known by early October when the textile policy is announced.

A 40 per cent increase in the handloom sector, 32 per cent in handlooms and eight per cent in the organised sector, is being contemplated in the sixth Plan period.

As regards jute, the Commerce Minister said for the first time the Government would go into the international market to export raw jute.

GOVERNMENT FRAMES 15-YEAR ENERGY PLAN

Bombay THE TIMES OF INDIA in English 26 Aug 80 p 4

[Text] Bombay, August 26--The Centre has recently framed a 15-year national power plan to augment the current power supply by nearly 80,000 Mw. all over the country.

The policy is the result of a series of talks which the Prime Minister, Mrs Indira Gandhi, had with various state power ministers in New Delhi in June. The main aim of the plan is to identify the different "power projects in a manner that will in future ensure adequate power supply to different regions in the country."

Addressing a news conference this morning, the secretary, department of power, Mr D.V. Kapoor, said that in the first phase the Centre proposed to raise the supply of power by more than 20,000 Mw and this scheme was expected to cost Rs 25,000 crores. Between 1985 and 1990, the supply would go up to 27,000 Mw and it was expected to touch 30,000 Mw by 1995, he said. Thus in the course of the next years, the power supply would increase by 80,000 Mw.

Atomic Plants

Mr Kapoor also said that the Centre had decided to set up atomic power stations far away from the coal belt area. One such station would be located in the western region and provision had been initially made for four units. If the project came up according to the present schedule, it was expected to be commissioned within ten years. He hoped that India would receive its fuel supplies for the atomic power stations without any hitch.

He said the "Nasik 4" thermal power project was expected to be commissioned by the end of this year. The 3,200 Mw Parli unit in Marathwada was scheduled to be commissioned in December. Clearance for the "Parli 4" project was expected in a month or two, Mr Kapoor added.

At present, the difference between demand and supply for power in the country stood at 16 per cent, but the figure for Maharashtra was 25 per cent. Mr Kapoor was hopeful that this would be brought down to 10 per cent in the coming year.

Thermal Units

He said that there were also schemes to improve the existing thermal stations. The problems in these units mainly related to equipment.

Referring to the problem of equipment, one of the officials present at the news conference said that the Maharashtra state electricity board officials had detailed discussions with the BHEL management on this issue recently. BHEL had called their foreign collaborators and efforts were now under way to set right the defects in the equipment.

He said that one of the main aims of the Delhi conference in June was to discuss the best way of using the existing resources and implementing various projects. "Maharashtra was picked up first because the Maharashtra state electricity board is one of the best managed," Mr Kapoor said.

"Our talks have been useful and we have identified certain areas where something could be done," Mr Kapoor said. The existing commissioning programmes were reviewed and quality of the different equipments discussed.

To further improve the power supply in Maharashtra, the Centre was planning a number of hydro-electric projects, some of which would be situated at Bhatgar, Narnala and Ajanta, he said.

Mr Kapoor said there had been delays in the completion of the hydel-power projects in the state and he would take up the issue with the state power board. The central power department would also give the necessary suggestions to avoid delays, he said.

The Kyona hydel-power units were expected to be completed this year.

CSO: 4220

ASSAM TROUBLES REDUCE CRUDE OIL PRODUCTION

New Delhi PATRIOT in English 21 Aug 80 p 7

[Text] There was a 2.2 million tonne loss in the production of crude oil due to the closure of the refineries in the eastern sector during the last six months from January following the Assam agitation reports UNI.

The loss of production of major petroleum product was 1.8 million tonnes.

The total value of the products including crude is estimated at Rs 484 crores according to an official note circulated among the consultative committee members of the Petroleum Ministry at a meeting held in Delhi recently.

Apart from these products, there have been losses of other petroleum products like petrol coke, wax aromex and carbon black feedstock.

The note pointed out that the loss due to the Assam agitation can be avoided only if refineries are allowed to receive crude oil and despatch surplus products outside the State.

By the recent price hike in petroleum products only an amount of Rs 2100 crores had been passed on to the consumers as against the total burden of Rs 2466 crores borne by the oil industry because of the frequent increase in international prices of petroleum and other reasons including borrowings from financial institutions.

The Oil and Natural Gas Commission (ONGC) and Oil India Limited do not get the equivalent of international prices for the crude oil they sell to the refineries. If the crude produced in the country is priced on import parity basis, at Rs 1943 per tonne, the additional burden on the consumers would be nearly Rs 2220 crores per annum. This is much higher than the amount realised from levy of excise and customs duties on petroleum products of about Rs 1568 crores.

By keeping the price of indigenous crude oil low, the consumer is already insulated to some extent, against the ever increasing price of imported crude.

The prices of petroleum products in the country are based on pooling of the cheaper indigenous crude oil and the costlier imported crude.

GOVERNMENT REPORT READY TO SHARE OIL FINDS

Calcutta THE STATESMAN in English 23 Aug 80 p 7

[Text] New Delhi, Aug 22--Having announced its desire to set foreign companies explore oil in the country, the Government is now reportedly having an "open mind" on sharing the oil that might be discovered by them. [as published]

Hitherto, India has been averse to sharing any oil discovered. According to an earlier stipulation, a certain percentage of the oil used to be given to the companies that discovered it. India used to buy the oil back from them. But none of the joint ventures in the past was successful.

A committee of Secretaries to the Government is working on a board format of the contracts that will have to be entered into with foreign oil companies. The committee is also considering the areas to be released.

The committee's report is expected to be available in a few weeks after which the Government will hold talks with the major foreign oil companies.

As far as the areas to be farmed out are concerned, the Government is believed to be thinking of allotting only those sections which the Oil and Natural Gas Commission and Oil India are not willing, for reasons of resources or otherwise, to take up for exploration.

The Government is not eager to repeat its unhappy experience of 1974-77, when it invited foreign consortia for exploration, but found that the companies were not prepared or able to invest all the money needed for the work.

Reading and Bates, the Carlsberg and Asamera groups were asked to drill at least one well each in the Kutch basin, Orissa Coast and the Cauvery basin. They could not complete the work in time.

The Government is now likely to ask companies not only to drill more wells but complete the work within a stipulated period.

The Government believes that there has been a qualitative change in the Indian oil scene during the past few years. With the discovery of oil and gas on the western coast, and the fuel in the eastern coast and in structures other than in the Bombay High like in Ratnagiri, Mid-Tapti and Bassein this, the Government hopes, will attract a large number of foreign companies in the field. [as published]

Burmah-Shell and France's Compaigne Francaise Des Petroles have already expressed their interest in the Indian project.

The offer of production-sharing, with no stipulation that the percentage of oil allowed to the firms should be sold to India, will be a great incentive. India itself is engaged in such an enterprise. Hydro Carbon (India), which is a subsidiary of the ONGC, in collaboration with other firms in Iran, has been getting 500,000 tonnes a year from two wells, Rustrum and Raksh, which it helped discover in Iran.

CSO: 4220

FOREIGN INTEREST IN OIL EXPLORATION PROGRAM

Kuala Lumpur BUSINESS TIMES in English 17 Sep 80 p 2

[Text]

NEW DELHI, Sept. 16 THIRTY major foreign oil companies have submitted formal application for participating in India's oil exploration programme, Petroleum Ministry sources said yesterday.

In a major policy shift last month, India invited foreign oil companies to help raise its domestic output of about 13 million tonnes of crude a year.

India imports annually about 16 million tonnes of crude and six million tonnes of petroleum products, costing the country 75 per cent of its export earnings.

The State-owned Oil and Natural Gas Commission (ONGC) was expected to process the applications soon.

The companies' offers will then be scrutinised by a committee of senior government officials which will make recommendations to the Cabinet.

Petroleum Minister, Mr Veerendra Patil, said he hoped foreign companies would start hunting for oil in the new year.

Jubilant Petroleum

Ministry officials said the response from foreign companies was unexpected.

Both on-shore and off-shore areas will be open to the selected companies.

The sources said applicants included Exxon, Gulf, Royal Dutch Shell, Compagnie Francaise des Petroles, Mobil, Texmaco and British Petroleum.

The companies were requested to send by midnight last night details regarding their organisational set-up and technical capabilities and listing areas where they were operating.

The ONGC said this was intended to prepare a short list of companies.

The sources said that in order to beat the deadline, the American Exxon company submitted its application to the Indian Embassy in Washington and sent a telex message to the Petroleum Ministry here.

India's proven oil reserves total 400 million tonnes. The country will require an estimated 43 million tonnes of crude in 1984-85, according to current estimates. — Reuter

TERMS FOR FOREIGN OIL PARTICIPATION DRAFTED

New Delhi PATRIOT in English 24 Aug 80 p 5

[Text] A high-level committee is drafting the terms and conditions for foreign companies to take up oil exploration in specified areas of the country, reports UNI.

The committee will also decide the potential areas where the foreign companies should take up the drilling operation. The entire scheme is expected to be on a time-bound programme to get quick result in the shortest possible time.

The main aim of the Government's decision to go in for help from foreign companies in the onshore and offshore drilling operations is to maximise the oil production by tapping the potential areas and thereby reducing the increasing foreign exchange outgo due to oil purchases.

The committee will determine the mode of payment to the collaborators, according to official sources.

The committee is expected to finalise the details soon. It had already floated global tenders inviting foreign oil companies to submit, by 15 September, data regarding their technical ability, experience and financial competence.

The committee consists of Secretary Petroleum Ministry (chairman) Secretaries from the Ministries of Economic Affairs and External Affairs and Secretary Expenditure. The chairman of the Oil and Natural Gas Commission (ONGC) is also on the committee.

The committee will be guided by a working paper submitted by the ONGC identifying the "rich areas" to be tapped immediately for drilling.

The ultimate aim of the Government for going in for foreign collaboration is to reduce the foreign dependence as oil is becoming a scarce commodity in the international market.

The premier agencies--ONGC and Oil India Limited (OIL) are busy continuing their operations, both offshore and onshore, in different parts of the country.

CSO: 4220

SOURCES REPORT 1980-1981 OIL IMPORT PLANS

Bombay THE TIMES OF INDIA in English 23 Aug 80 p 9

[Text] New Delhi, August 22 (UNI)--Mexico has agreed to supply one million tonnes of oil to India.

According to sources close to the petroleum ministry the government was trying to find a suitable party to import oil under a "swapping" arrangement to avoid incurring huge freight cost involved in bringing oil all the way from Mexico.

For 1980 a major portion of the country's crude requirements will be imported from Iran, Iraq, Saudi Arabia, the Soviet Union, the United Arab Emirates and Nigeria.

An official delegation is to visit Iran soon to finalise the import of oil for next year.

According to authoritative sources there will be no shortage of petroleum products next year.

The government has decided to import 75,000 tonnes of kerosene this month.

The anticipated foreign exchange outgo on account of oil imports in 1980-81 would be Rs 5000 crores.

The total import bill for oil has been pushed up Rs 1,000 crores as 4.5 million tonnes of petroleum products like naphtha, high-speed diesel and kerosene had to be imported, following disruption in their supplies from the north-east. This was in addition to the import of 16.2 million tonnes of crude valued at Rs 2,195 crores during 1979-80.

CSO: 4220

BRIEFS

STATES' BORROWING PROGRAM--Bombay, August 20--All the 21 state governments have announced their market borrowing programme for the current year. The new loans are being issued at par, carry an interest of 6.75 per cent a year and are redeemable at par after 12 years. The loans aggregate Rs 299.75 crores, but the state governments reserve the right to retain subscriptions up to ten per cent in excess of the notified amount. The 5.75 per cent 1980 loans maturing on September 2 will be accepted at par for conversion into the new loans of the respective state governments. The subscription list will open on September 3 and close on September 4 or earlier without notice as soon as subscriptions approximate to the amount of each issue. Uttar Pradesh tops the list, with the amount of new loan totalling Rs 37 crores followed by Maharashtra (Rs 32 crores), Tamil Nadu (Rs 31 crores), Andhra Pradesh (Rs 24 crores), Gujarat (Rs 23 crores) and Rajasthan (Rs 22.75 crores). The amount in respect of other states is less than Rs 20 crores, the lowest figure being Rs 2.25 crores in respect of Nagaland and Tripura. [Text] [Bombay THE TIMES OF INDIA in English 21 Aug 80 p 3]

ORISSA JANATA CHIEF--Bhubaneswar, August 20 (UNI)--The Janata party president, Mr Chandra Shekhar, has nominated Mr A.N. Singh Deo as the new president of the Orissa unit of the party replacing Mr Biswanath Pandit. The Janata party president has also reconstituted the state unit with Mr P.D. Das, Mr Samarendra Kundu and Mr Ram Krushna Patnaik as vice-presidents, and Mr Pabitra Mohan Pradhan as the treasurer. Mr Bhagabat Behera, Mr Krushna Chandra Patra and Mr Prahlad Dora are the three general secretaries in the reconstituted body, according to a press release of the Orissa unit of the Janata party released here today. [Text] [Bombay THE TIMES OF INDIA in English 21 Aug 80 p 5]

HARIJAN PARLIAMENTARY PANEL--New Delhi, August 20 (PTI)--The parliamentary committee on the welfare of scheduled castes and scheduled tribes for 1980-81 has been set up under the chairmanship of Mr R.R. Bhole, a member of the Lok Sabha. The committee has 20 members from the Lok Sabha, including the chairman, and 10 members from the Rajya Sabha, according to a Lok Sabha secretariat press release. The members from Lok Sabha are: Mr M. Arunachalam, Mr Baleshwar Ram, Mr Bheekhabhai, Mr R.R. Bhole, Mr Somjibhai Damor, Mr C. T. Dhandapani, Mr Girdhar Gomongo, Mrs Kailash Pati, Mr Jaipal Singh Kashyap, Mr G. Y. Krishnan, Mr Kukunda Mandal, Mr Kusuma Krishnamurthy, Mr Arvind Netam, Mr Ram Pyare Panika, Mr Ram Vilas Paswan, Mr K. Rajamallu, Mr Ram Kinkar, Mr Bajju Ban Riyan, Mr Dharam Das Shastri and Mr Balakrishna Vashnik. Those from the Rajya Sabha are Miss Saroj Khaparde, Mr G. Swamy Naik, Mr Roshan Lal, Mr Bhagwan Din, Mr Piere Lal Kureel, Mr T. Aliba Imti, Mr D.D. Khobragade, Mr Sharief-ud-Din Shariq, Mr Ganapat Hiralal Bhagat and Mr Sangdopi Lepcha. [Text] [Bombay THE TIMES OF INDIA in English 21 Aug 80 p 5]

BIHAR POWER PROJECT--New Delhi, August 20--The 710-mw Koel Kato hydroelectric project in Bihar will be executed by the National Hydroelectric Power Corporation. This is the fifth and the largest hydel power station to be taken up in the central sector. The project is estimated to cost Rs 390.40 crores which includes the cost of 400 kv and 132 kv transmission lines also. During the Janata regime there was controversy over the project being shifted to the central sector but it was resolved when the Congress(I) came to power. Mr A.B.A. Ghani Khan Choudhary, Union energy minister, was able to secure the Bihar government's consent to the proposal. The Koel Kato project envisages regulation of the waters of the South Koel river at Basia and their diversion to the adjacent valley of its tributary, the North Kato, where they are proposed to be utilised along with the waters of the North Kato for power generation. The project involves the construction of two earthen dams. These two reservoirs are linked by a trans-basin channel, 34.7 km long. The project will have an installed capacity of 710 mw in all, with six units of 115 mw in Lumpungkhei underground power house and one unit of 20 mw in Raitoli power house at the end of the trans-basin channel. The Koel Kato project is located in Ranchi and Singhbhum districts of Bihar and is about 80 km from Ranchi. [Text] [Bombay THE TIMES OF INDIA in English 21 Aug 80 p 9]

IMPORT OF SPARES--New Delhi, August 20--The import policy for 1980-81 has been amended for permitting imports of complete equipment such as motors, compressors and engines as spares against specific licences issued to actual users. The policy had stated that these equipment could not be imported as spares and this had created difficulties for industry. Of course, these items would not be allowed to be imported under the open general licence. Some other changes made in the import policy include canalisation of Vitamin C imports through the state chemicals and pharmaceuticals corporation. Earlier these imports were banned, but now these have been considered necessary to fill the gap between domestic production and demand. The import of rubber chemicals has now been banned in view of indigenous production. Their imports were earlier permitted on a restricted basis. Musk ambrette has been put on the banned list. The import of tin plate waste was canalised in the import policy for 1980-81. There were representations from actual users holding imports licence already issued for this item. In order to help the industry to get timely requirements, such licence-holders have been allowed to import tin plate waste up to Rs five lakhs within the value of their licences. [Text] [Bombay THE TIMES OF INDIA in English 21 Aug 80 p 9]

STEEL SUPPLY PRIORITIES--Bombay, Aug 21--Mr G.D. Shah, Chairman of the Engineering Export Promotion Council told pressmen here that the Ministry of Commerce, in consultation with Steel Ministry had decided that exporters having firm export contracts against which release order had been issued by the Iron and Steel Controller should be given priority in the supply of pig iron and steel. A mechanism had been worked out by which the Council would be providing necessary details to the Controller for production of goods meant for exports. Mr Shah said one of the major constraints which seriously affected last year's engineering export was allround shortage of basic raw materials like pig iron, steel, aluminum and coke. The current year's target had been fixed at Rs 915 crores. Last year the export was Rs 650 crores against the target of Rs 815 crores.

He disclosed that the Council was organising a conference on cooperation between West European contractors and Indian Engineering firms interested in subcontracting in third countries in Paris in November. About 100 European contractors and 50 to 60 civil engineering and consultancy firms and suppliers of equipment from India are likely to attend the conference. [Text] [Madras THE HINDU in English 22 Aug 80 p 6]

VIZAG REFINERY EXPANSION--Bombay, Aug 21--The Hindustan Petroleum Corporation (HPC) has two projects under consideration viz. to expand the capacity of the Visakhapatnam Refinery from 1.5 to 4.5 million tonnes at a capital outlay of Rs 66 crores and to construct a new crude discharge pipeline at Vizag which will facilitate large-sized oil tankers to berth there. It envisages an investment of Rs 7 crores. The Corporation Chairman and Managing Director, Mr R.M. Bhandari, said here that a proposal had been submitted to the Government for a pipeline between Bombay and Pune so that the white oil products were easily transported to Pune with minimum loss on evaporation, etc. This would cost Rs 21 crores and completed in three and a half years. [as published] Mr Bhandari said ATF pipeline from the refinery at Mahul to Santa Cruz airport would be commissioned by the year end. This 21 km-long pipeline would cost about Rs 1.9 crores. At present 100 trucks carry oil products from Mahul refinery to Santa Cruz airport daily and these trucks could be used elsewhere after the pipeline was commissioned. Mr Bhandari said LPG would be available in plenty from the middle of next year. He said the HPC would give three lakh connections each year up to March 1982 and afterwards two lakh connections every year. [Text] [Madras THE HINDU in English 22 Aug 80 p 6]

HUNGARIAN LOCOMOTIVE OFFER--Hungary has offered technical collaboration for the manufacture of diesel hydraulic and electric locomotives in India, reports UNI. Two experts from one of the oldest and largest locomotive and railway carriage manufacturers in Hungary Ganz-Mavag and its sister concern Ganz-Electric made recently a film presentation of the new developments in the field of diesel and electric locomotives to the officials of the Railway Board and the Bharat Heavy Electricals under the Hungarian Chamber of Commerce Programme. A spokesman of the Hungarian chamber of Commerce said that Hungary had submitted an offer for the manufacture of 50 locomotives to the Steel Authority of India Limited (SAIL) for use in shunting operations at its steel plants in India. He said Ganz Mavag, which had ties with the Indian Railway system as far back as 1938 had supplied multiple unit trains to the Western Railways. It had offered technical collaboration for manufacture of these diesel locomotives in India. He said the multiple-unit trains supplied before World War II were still running. [Text] [New Delhi PATRIOT in English 23 Aug 80 p 5]

MARXIST POLITICIAN DIES--Calcutta, August 23 (PTI)--Mr Suhrid Mullick Choudhury, Forward Bloc (Marxist) member of the West Bengal legislative assembly, died at the Nilratan Sircar Medical College Hospital here this morning following a heart attack. He was 58. Mr Mullick Chaudhury was the secretary of the West Bengal state committee of the party. [as published] [Text] [Bombay THE TIMES OF INDIA in English 24 Aug 80 p 6]

ROCKET FUEL PLANT--Pune, August 23--A plant for manufacturing liquid for rockets and missiles used by the defence services was inaugurated at Kirkee, near here, today by Dr S. Bhattacharya, chairman of the Ordnance Factory board. Dr Bhattacharya said the new plant fulfilled a national objective of self-reliance in respect of a vital defence stores item which had been hitherto imported. It will save Rs 20 lakh in foreign exchange every year. [Text] [Bombay THE TIMES OF INDIA in English 24 Aug 80 p 13]

TIES WITH VIETNAM--Moscow, August 24 (PTI)--Vietnamese Prime Minister Pham Van Dong, has said that strong friendly ties between his country and India are of vital importance for peace and stability in Asia and the world at large. Mr Pham was talking to a delegation of All India Peace and Solidarity Organisation led by its chairman Chandrajit Yadav, TASS reported from Hanoi. Expressing gratitude to the Government and people of India for their support to Vietnamese revolution, the Prime Minister expressed hopes that the delegation's visit would further promote cooperation between the two countries. [Text] [New Delhi PATRIOT in English 25 Aug 80 p 7]

JAPANESE AID--New Delhi, Aug 26--Japan has agreed to give India aid worth 1.5 billion yen (Rs 5.5 crores) for "the improvement of social environment." Mr R.N. Malhotra, secretary of the Department of Economic Affairs in the Ministry of Finance and Mr Masao Kanazawa, the Japanese Ambassador in India, today exchanged notes to sanctify the aid. The grant will be used by India for buying steel bars from Japan for construction of hospitals, nurses' hostels in New Delhi and Varanasi and low-income group houses. [Text] [Calcutta THE STATESMAN in English 27 Aug 80 p 4]

INDIA-MALAYSIA TIES--Kuala Lumpur, Aug 26 (PTI)--India will assist Malaysia in industrialisation and development programmes to strengthen the existing ties between the two countries the Indian high commissioner Prakash Shah said in Penang. Speaking to reporters after visiting the multi-million dollar extension to the Prai power station about 11 kilometres from Penang, Mr Shah said he was impressed with the progress of the project. The extension power station undertaken jointly by the Bharat Heavy Electricals Limited Instrumentation Limited of India and MHI Mitsubishi Japan, is expected to be completed by the year-end. [Text] [New Delhi PATRIOT in English 27 Aug 80 p 3]

ORE TO USSR--Chandigarh, Aug 27--Goa Chief Minister Pratap Singh Rane today revealed that USSR would purchase iron ore from Goa. Initially it will import about 7 lakh tonnes of the "lump" iron ore per year, he told newsmen in an informal chat here. Till now, Japan was the sole importer of iron ore from the State which contributed over 50 per cent of the total iron ore exports from the country. Over one crore tonnes of iron ore is exported annually from Goa. Export of iron ore is the major source of income for Goa. Mr Rane is here as a guest of the Haryana Government visiting tourism complexes and other places of interest like Nisis at Patiala and Bhakra Nangal. He is accompanied by his Minister for Tourism H. Zante and director of tourism besides the chief architect. [Excerpt] [New Delhi PATRIOT in English 28 Aug 80 p 4]

ECONOMIC RESEARCH CHIEF--Mr Prakash Tandon has been unanimously elected president of the National Council of Applied Economic Research, reports UNI. He succeeds Mr Asoka Mehta, founder member of the council, who has expressed his desire to retire after 16 years as president. Mr Mehta, however, will continue his association with the council as life president emeritus. Following are the members of the council's new governing body: Dr Bharat Ram, Mr S. Bhoothalingam, Prof Sukhamoy Chakravarty, Mr J.B. D'Souza, Dr Ashok Ganguly, Mrs Pupul Jayakar, Prof D.T. Lakdawala, Mr K.B. Lall, Dr B.K. Madan, Mr S.S. Marathe, Dr Manmohan Singh, Mr R.N. Malhotra, Mr P.K. Nanda, Dr M.S. Swaminathan, Mr I.Z. Bhatta and Mr P.L. Tandon. [Text] [New Delhi PATRIOT in English 28 Aug 80 p 5]

BOMBAY SOUTH OIL--Crude oil will start flowing from the south platform of Bombay High by the end of this month with the commissioning of production platforms in Bombay South, according to official sources. The rate of production will be 20,000 barrels a day in the beginning and will be gradually stepped up during a course of period. The total production in a year from the South end of Bombay High is expected to be one million tonnes. The current production in the North end platforms is about 5.2 million tonnes per year. With this ONGC proposes to step up its total production from Bombay High alone to seven million tonnes by the end of 1981-82. This will be further increased to ten million tonnes in the subsequent year. [Excerpt] [New Delhi PATRIOT in English 10 Oct 80 p 5]

PRICE INDEX RISES--New Delhi, Oct. 9.--The official wholesale price index (base 1970-71) for all commodities rose to yet another record level of 264.2 points (provisional) during the week ended September 27, reports UNI. With this, the index has risen by 41 points in 39 weeks, and the monthly index for September has crossed the 262 mark. The increase of 0.6% this week was solely on account of the higher prices of gur, khandsari, says an official release. The index for food articles declined marginally and of chemicals and chemical products by 0.1%. The index for food products rose by 2.9%, and marginally for nonmetallic mineral products, machinery and transport equipment. [Text] [Calcutta THE STATESMAN in English 10 Oct 80 p 1]

JANATA PARTY RECOGNITION--New Delhi, Oct. 9.--The Election Commission today recognized the party led by Mr Chandrashekhar as the Janata Party" and allotted the symbol of haldhar within wheel which was earlier frozen, reports PTI. [as published] The allotment of the symbol would, however, be without prejudice to the claims and rights of the Janata Party (Secular) which also claimed to be the real Janata Party, the Commission said in an order today while deciding the dispute between the Bharatiya Janata Party and Janata. The Commission also granted recognition to the BJP as a national party on a regular basis and allotted it the lotus symbol. The BJP was granted interim recognition as a national party in April pending a final decision on the dispute. The group led by Mr Chandrashekhar was recognized as the Janata Party on an ad hoc basis in that order by which the haldhar symbol was also frozen. Accepting the plea made on behalf of the Janata that the BJP was not a rival party or splinter group of the Janata Party, the Chief Election Commissioner, Mr S. L. Shaktiher, rejected the BJP contention that the national executive and parliamentary board of the Janata Party as it existed in April were ad hoc bodies and were not properly constituted. "Some of the leaders now occupying important offices in the BJP were also members of those bodies and nothing was produced before me on behalf of the BJP to show that they ever raised any question about the illegality of these bodies", Mr Shaktiher observed. [Text] [Calcutta THE STATESMAN in English 10 Oct 80 p 9]

ERA OF THE 1945 GENERATION MAKING ITS END

Kuala Lumpur BUSINESS TIMES in English 18 Sep 80 p 6

[Article by Sumono Mustoffa]

[Text]

INEVITABLY, the "changing of the guard" will soon also take place in Indonesia. The "old guards" generation of 1945 had defied Holland by proclaiming the nation's independence three days after Japan capitulated to the Allies in World War II; it challenged the might of the British Army in the heroic "Battle of Surabaya." The old stalwarts stopped tanks and eluded big guns. But they cannot escape the nature of creeping old age.

Even today, most of the crew of the ship of state are made up of those born after 1945. Only the top leadership up to the third echelon or so in the state bureaucracy is still occupied by remnants of this so-called "1945 generation." It will take another two or three years perhaps before they too will "fade away."

There is a strong desire, alive among the "old guards," to leave what is best of their generation to the new one. They call this the "spirit of 1945," but this means more or less the heroism, patriotism, selfless sacrifice and courage of character which distinguished the youth of the revolutionary era — qualities which have won for the country its nationhood and independence.

There is nothing extraordinary about the old wanting to inspire their young with a tradition they had laid down which they thought was the finest. It happens throughout human history. In fact, this urge to pass on experience to the young forms the very foundation of civilisation. Nor is there anything odd about the way the young in Indonesia today "rebel" against the discipline of traditions.

There is, however, something more than mere romantic sentimentalism involved in the legacy which the old guards in this country wish to pass on.

Indonesia historically was first among the former colonies after the Second World War to have asserted its right to independence by the revolutionary way. It has had to fight long and hard. It traversed a zigzag course to gain universal recognition to its nationhood. The political independence which others later gained by compromise in the shining halls of diplomacy, this nation had to buy with the blood and tears of its children.

A revolution creates, an Indonesian sage once said. But it also leaves behind it physical destruction and the disintegration of values. And it is precisely in the colossal task of creating new

systems and values today that deprecating remarks are being heard from among the new generation. "What is so great about getting yourself killed and destroyed for something which others could gain by the flick of the pen?" today's young cynics ask.

Indonesia's experience involves something more substantial. It forms part and parcel of the global strife for political and economic emancipation of erstwhile subjugated peoples.

Today, people talk in terms of North and South, of the wealthy industrial nations in the northern hemisphere and the poor majority of agrarian countries in the southern hemisphere. As ideologies of communism versus capitalism lose their erstwhile mythical pull, the new moral call for more just distribution of wealth gains more and more strength.

This appeal for a more humane world not only grips mankind across national boundaries irrespective of political systems but also pervades discussions in the United Nations forums and agencies. Justice has now become also the yardstick of success by which country governments are being measured.

How does this "new morality" affect Indonesia?

This nation chose to include "social justice and prosperity" in the state philosophy when the Indonesian republic was formed thirty-four years ago.

The concept has been given stronger legal basis by its inclusion in the state Constitution. So each government which wields power in this country is politically bound not merely to de-

velop the country's wealth but also to equitably distribute it among the people.

Theoretically at least, there is to be no conflict between the individual and the society or between capital and labour in the Indonesian state.

The present Suharto government has evolved a three-point basis which guides its programme, popularly known as the "development trilogy." The first is the equitable distribution of the national product. The second is a high economic growth rate, and the third point is a dynamic national political stability.

Indeed, a very demanding programme.

Not merely is a high economic growth imperative under the programme but the gains must be spread more equitably. This means that the location of projects must not be centralised in any given area. Small-scale industries, small business

enterprises and small holder farmers must have greater participation in the development process. This also means labour intensive rather than capital intensive, high-technology heavy schemes are preferable.

It also means a greater share for the indigenous enterprises than before in carrying out development projects. Cooperatives, particularly village cooperatives, are to receive a higher priority in distributing and marketing farm needs and products.

The more egalitarian approach to economic development is not only ideal but assumes a very fundamental role. It is also full of risks and problems, bearing in mind the weaknesses of the indigenous sector in terms of capital, experience, organisation, management and technical expertise. The biggest risk, of course, is that the egalitarian mind may overflow the development cup, thereby impairing the growth rate.

The "dynamic political stability" principle serves to indicate another desire to accommodate constructive changes. Political stability forms a precondition for carrying out any development programme. However, it must provide for sufficient dynamism in Indonesian society to facilitate the process of development itself.

In short, if this new "development ideology" can be implemented according to its formulation, Indonesia will have succeeded in marrying the positive features of the liberal system and those of socialism. The positive aspects

of liberalism are democracy, economic growth and efficiency. Socialism's positive features are economic planning, political stability and the equitable distribution of income.

Indonesia started its economic development programme relatively late and from well below the zero point in 1965. With that in mind, and also the high stakes that are involved, it realises it is racing with time. Although rich in natural resources, the country now has to cope with the results of the "baby boom" of the Fifties. The population today numbers 140 million and grows at 2.4 per cent annually, about half of them cramming the island of Java.

Unemployment, insufficient food production, low income (1979 income per capita US\$200 as estimated by the World Bank) are creating secondary problems for the government even as development increases the GNP between 6 and 7 per cent.

Indonesian planners surmise that the country needs at least six consecutively implemented five-year development plans to give it a solid and modern economic foundation. With two plans already behind it, it means there are still two decades of systematic economic planning ahead.

Here is where concern overtakes the old guard. At most they can be sure of witnessing the imminent Third Five-Year Plan being carried out. Will the new generation which will soon assume the seats of power be worth its salt? Are they able to pass the test?

Time will produce the

answers. Success in economic development and the realisation of social justice in this sprawling island republic will be a victory for the new ideology and system. It will then show to others in the same underdevelopment rut that economic development and democracy can go together.

Indonesian defence experts believe that a military invasion of Indonesia is unlikely within the next 30 years. But if the country should fail in realising the targets of development with justice, the threat could well come from within.

"In case we fail or even miss our schedule in modernising the country, the totalitarian system will appear very attractive to some people here. From this stage it is only

a short step to internal subversion and catastrophe, with or without the presence of armed invasion.

"So, for Indonesia and perhaps the region as well, economic development and social justice are the best guarantees, rather than modern arms, against any security threat from outside," a top defence official once said to this writer.

With so many things on the drawing board yet to be done and time so pressing, the 1945 generation now is seriously preparing for the imminent "changing of the guard."

The first task is the inculcation of the constitutional values in the civil service personnel. Very systematically pursued, this educational campaign is expected to reach the grass-root level of administration in

three years time or so. If quarrels must arise, the seniors who still wield power today reason, then let these be founded on a common basis namely, the rules of the Constitution.

Secondly, national political stability must be ensured. Not that constructive changes are being condemned. The development "trilogy" maintains that change is indeed desirable. However, constructive change must not jeopardise the "development ship."

In short, it has to be the right balance between idealism and pragmatism, something very simple to define but extremely difficult in practice. The old complaint that the young tend to be too idealistic, emotional, irresponsible and undisciplined though, of course, more educated.

The young, on their part, accuse their seniors of being too stability-security obsessed, too reluctant to cast off feudal values, authoritarianism and do not themselves live by their professed values.

An impartial observer will perhaps find many valid points on both sides. As an old Javanese saying goes, "a string-bean does not creep far from its pole." But, at the same time, a chip always preserves whatever good points of the old block.

For better or for worse, the "changing of the guard" must come with its important implications at home and, no doubt, also regionally. Therefore, the next three years or so will be interesting in terms of Indonesian development. —
Depthnews

SOUTH KOREA, INDONESIA HAVE COMPLEMENTARY ECONOMIES

Seoul THE KOREA HERALD in English 19 Sep 80 p 5

[Article by Kim Kyong-nae]

[Excerpts]

JAKARTA, Indonesia — One of the most important factors which might induce one country to invest in another country is whether the investment will be received favorably by the general public in the other country.

In this sense, Indonesia is a very attractive site for foreign investment considering the recent remarks of President Soeharto who said, "Indonesia continues to hold the door open for foreign investment and provides opportunities for other nations to join us in accelerating the course of development."

As for the case of Korea and Indonesia, the stages of development of their economies are different.

"In this connection, both countries must bear in mind that, while Korea, on the one hand, has already built up a relatively advanced industrial base with a pool of skilled labor, Indonesia on the other is still at the threshold of industrialization with abundant inexpensive labor and land while seeking technology and capital from the outside world to help meet its development needs," said Tony Agus Ardle, chairman of the Indonesia-Korea Economic Cooperation Committee.

Korean investments in Indonesia are mostly concentrated in the field of forestry, which accounts for \$35,156,000 out of a total Korean investment of \$59,290,000.

"In view of the change in the economic and industrial structure in Korea, it will be necessary for Korea to engage in investment in countries rich in natural resources, such as Indonesia," Ardle said.

Realizing the complementary nature of the two economies of Korea and Indonesia, Korea is willing to offer her well-trained manpower and valuable experiences gathered through her four Five-Year Economic Development Plans to Indonesia for the development of her abundant and precious natural resources.

Such efforts have been realized in the form of joint ventures in the field of forestry, chemicals, food, metal and construction industries in 16 projects.

"He stressed that discussion on Korean overseas investment policies and investment activities by fields and sectors should be redirected to accommodate recent developments in the

investment situation, conditions and regulations in Indonesia.

He then observed that as Korea's economic structure is expected to shift toward the pattern of advanced industrial countries and heavy and chemical manufacturing sectors grow rapidly in Korea, the import demand in Korea will increase for raw materials including various energy resources and more sophisticated capital goods.

It was learned that the joint project for farm development in Indonesia, for which studies were completed in 1972, will be implemented soon in Indonesia by the Korean government in cooperation with the Indonesian government.

The implementation of the corn development program will become a pilot project in agricultural technical cooperation between the two countries and could motivate further Korean and Indonesian joint operations in the field of agriculture.

"Furthermore, Korea and Indonesia can cooperate with each other in building workshops and training centers for the Indonesian construction and machinery

industry. Transfer of technology and know-how could be done most appropriately through joint ventures. It will be convenient that through this exchange of experience, intermediate technology too could be developed in Indonesia in order to lessen the gap between traditional and advanced technology," said Ardle.

"Last but not least, in view of Korea's long experience in world market where Korean technology and products have been long accepted (for instance huge developments in the Middle East done by Korea using Korean products), we may propose that both countries could jointly establish a venture that may operate in third countries and participate in the world market," Ardle observed.

Although Indonesia has diplomatic ties with both south and north Korea, the strong investment representation in Indonesia by south Korea seems to lead the Indonesian businessmen to turn to the south for the promotion of mutual benefits, thus reinforcing the firm grounds for their forthcoming ties in every possible field.

**Korean Investment in Indonesia
From 1967 to Dec. 31, 1979**

(Unit: \$1,000)

Activity	Location	Amount	Labor
1 Construction	DKI Jaya	1,000	369
2 Housing	DKI Jaya	900	369
3 Forestry	E. Kalimantan	6,250	340
4 Forestry	S. Kalimantan	6,000	1,535
5 Forestry	N. Kalimantan	2,500	177
6 Forestry	C. Kalimantan	3,500	186
7 Chemical Ind.	DKI Jaya	6,400	481
8 Chemical Ind.	E. Java	8,400	
9 Food Ind.	E. Java	2,300	455
10 Construction	DKI Jaya	500	154
11 Forestry	E. Kalimantan	2,400	1,000
12 Construction	DKI Jaya	1,000	288
13 Forestry	S. Kalimantan	6,000	503
14 Forestry	W. Kalimantan	5,500	671
15 Forestry	S. Kalimantan	3,000	62
16 Base metal Industry	E. Java	3,600	392
Total		59,250	

BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

FIVE INDONESIAN AMBASSADORS APPOINTED--Indonesian foreign policy must have a role in giving shape to national purposes and objectives. Because if it does not have such a role, foreign policy will be of no use for the interests of the state and the people. President Soeharto made this statement in his speech at the ceremony appointing five Indonesian ambassadors Saturday [30 August] at the Istana Negara. The five ambassadors are R M Mohamad Choesin, to the Soviet Union; BG Erman Harirustaman, to Australia; Bambang Sanjoto Saptodewo, to the Socialist Republic of Ethiopia; T Umar Ali, to Brazil; and R Sayogo, to the Emirate of Kuwait. R M Mohamad Choesin was appointed ambassador to the Soviet Union, replacing R B I N Djajadiningrat. His previous position was that of a staff assistant of the minister of foreign affairs. BG Erman Harirustaman was appointed ambassador to Australia, replacing MG Nurmathias. His previous position was that of director general of Social and Political Affairs of the Ministry of Internal Affairs. Bambang Sanjoto Saptodewo was appointed ambassador to the Socialist Republic of Ethiopia. His previous position was that of deputy chief of mission/minister in the Indonesian Embassy in Kuala Lumpur. T Umar Ali was appointed ambassador to Brazil, replacing Adiwoso Abubakar. His previous position was that of secretary general of the Ministry of Education and Culture. R Sayogo was appointed ambassador to the Emirate of Kuwait, replacing Munawir Sjadzali, M A. His previous position was that of deputy chief of mission/minister in the Indonesian Embassy in Bonn. [Excerpts] [Jakarta HARIAN UMUM AB in Indonesian 1 Sep 80 pp 1, 2]

ADIWOSO ABUBAKAR--The director general of the economic, social, and cultural directorate of the Ministry of Foreign Affairs, Gusti Roesli Noor, yesterday [11 September 1980] installed in office Dr Adiwoso Abubakar as director of International Commercial Relations, replacing Soerodjo Sarni. Abubakar had previously been Indonesian ambassador to Brazil, while Soerodjo has been appointed Indonesian ambassador to Spain. The installation in office of Dr Adiwoso Abubakar took place in the Ministry of Foreign Affairs, Jakarta. Adiwoso Abubakar was born in Semarang on 15 August 1925. He obtained a

doctorate in social and political science, with a major in international relations, from the University of Gadjah Mada in 1954. His work experience abroad has included service in the Indonesian Embassies in The Hague, Washington, and Brazil. [Excerpts] [Jakarta HARIAN UMUM AB in Indonesian 12 Sep 80 p 3]

COL H SOETRAN--Minister of Internal Affairs Amirmachmud Thursday [4 September 1980] installed Col H Soetran in office as acting governor of Irian Jaya. The installation took place at the Ministry of Internal Affairs in Jakarta. The minister stated that the reinstallation of Soetran as acting governor was in accordance with Presidential Decision No 102/M of 18 August 1980. Since the date of his original installation H Soetran has been discharged with honor from his post as governor of Irian Jaya. And he was immediately appointed as acting governor, as took place on Thursday [4 September 1980]. Amirmachmud declared that the task of the governor, apart from ensuring the functioning of the provincial government and development activity, was also to prepare for the election of the next governor. [Excerpts] [Jakarta KOMPAS in Indonesian 5 Sep 80 p 9]

PAKAM GINTING--Pakam Ginting (46 years old), an editor at the Indonesian National Press Office (KNI) on Saturday morning [6 September 1980] at 7:15 AM died at the Cenderawasih Pavillion of Cipto Mangunkusumo Hospital after suffering a stroke and being treated at the hospital since last 1 August. The remains of the deceased on 6 September were brought to his home at Jalan Nangka Raya 21, National Housing Estate [Perumnas], Depok I, and will be buried later that afternoon. The deceased was one of the founding editors of the independent news agency. He began to work for KNI in 1969. [Text] [Jakarta SINAR HARAPAN in Indonesian 6 Sep 80 p 12]

ALI MOERTOPO--The health of Minister of Information Ali Moertopo is developing very well, and he will be able to resume an active life, as was the case before he became ill, stated Dr Hanafiah, leader of the team of doctors who have been treating the Minister since he fell sick last 4 July. Dr Hanafiah made the statement when he was accompanying the minister of information Wednesday morning [10 September] at the private office of the minister at the AKA building in Kebayoran Baru. The minister of information, who was also accompanied by his wife on Wednesday [10 September], appeared refreshed, and the members of the team of doctors provided a detailed account of the varied collection of art objects, handicraft items, and memorabilia which adorn his office. The minister also had occasion to joke with executives of PT AKA, BERITA YUDHA, and SUARA KARYA. Moreover, through his private assistant, A Soegijanto, he passed on instructions connected with the work of the ministry of information. According to Dr Hanafiah, after being treated for 5 weeks at Tjipto Mangunkusumo Hospital, since 18 August, Minister Ali Moertopo has been convalescing at home. Convalescence, Dr Hanafiah said, is the process of recovery "toward Ali's condition before he fell sick." After resting and little by little, in stages the minister may resume work until at last he will be back to normal. His recovery after falling ill on two occasions has gone well, Dr Hanafiah says,

because after recovering from his first illness in 1978 the Minister undertook physical exercises in an organized way. When he fell ill the second time, the physical condition of the minister of information was very good. "Now the convalescence of Ali is developing in accordance with the program, in accordance with what we hoped for," said Dr Hanafiah. Dr Hanafiah made the statement, accompanied by Dr Lutfi Usman and Dr Ranti, both of them members of the team of doctors, and by Dr Samsu, personal doctor of the minister of information. The team of doctors also included the personal doctors of Minister Ali Moertopo, that is, Dr Samsu, Dr Christine, and Dr Subijantoro. [Text] [Jakarta SINAR HARAPAN in Indonesian 11 Sep 80 pp 1, 12]

FRANS ALLORERUNG--Frans Allorerung, former secretary general of the GMKI (Indonesian Christian Students Movement) during the period 1978-1980, on Friday [12 September] was elected general chairman of the movement for the period 1980-1982 at the XVII Congress of the GMKI which began on 4 September at the Pusdika Cibubur [Cibubur Training Center]. The election of the chief executive of the GMKI, which was held after the Congress was postponed for two days, also involved the designation of Togi Simatupang (former member of the board of directors of the GMKI) as general secretary. In the election there were eight candidates for the post of general chairman and 11 candidates for the post of general secretary. However, six of the candidates for the post of general chairman and nine candidates for the post of general secretary withdrew from the contest. [Text] [Jakarta SINAR HARAPAN in Indonesian 12 Sep 80 p 1]

KUSUMASMORO--The director general of the political department of the Ministry of Foreign Affairs, Anwar Sani, on Saturday [13 September] installed Kusumasmoro, MA, as chief of the international organizations section of the Ministry of Foreign Affairs. Kusumasmoro is a career diplomat who graduated from the Foreign Service Academy in 1953 and obtained an MA degree from Harvard University [sic; probably should be Howard University], Washington, DC, in 1962. Before being appointed ambassador to Argentina, Chile, and Uruguay, Kusumasmoro had served in Italy, Mexico, Washington, Ottawa, and New York. The installation of Kusumasmoro in office was somewhat hurried because he was to leave immediately to join the Indonesian delegation attending the 35th General Assembly of the UN. [Excerpt] [Jakarta SINAR HARAPAN in Indonesian 13 Sep 80 p 12]

IDHAM CHALID--The chairman of the DPA and president of the Partai Persatuan Pembangunan, K H Dr Idham Chalid, on Tuesday [9 September] said farewell to President Soeharto at Cendana Palace in Jakarta as he will be leaving for West Germany for medical treatment. Speaking to reporters after being received by the president for 20 minutes, Idham Chalid said that he will leave shortly on a trip abroad for treatment of his stomach and intestines. Answering questions about internal questions concerning the PPP, Idham Chalid said that several elements of the party had reported on various matters to him, including questions involving the PPP fraction in Parliament. "They seem to know that I am not well and don't want to bother me with reports on various details," Idham Chalid said, hastening toward his automobile. [Excerpt] [Jakarta PELITA in Indonesian 10 Sep 80 p 1]

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KHIEU SAMPHAN POLICY OF CLOSE RELATIONS WITH ASEAN

Kuala Lumpur NEW STRAITS TIMES in English 20 Sep 80 pp 1, 32

[Article by Abdul Rahman Adnan]

[Text]

BANGKOK, Fri. — Khmer Rouge leader Khieu Samphan said an independent Kampuchea, rid of Vietnamese domination, will gladly join Asean if allowed to do so by the regional group's existing members.

He made this remark during a question and answer session lasting nearly three hours with newsmen from Malaysia, Singapore, Philippines, Indonesia and Japan at the guerilla hideout in south Kampuchea yesterday.

Mr. Samphan, who as President and Prime Minister of Democratic Kampuchea, leads the guerilla campaign against the Vietnamese backed Heng Samrin regime in Phnom Penh, is trying to draw international support for a broad-based anti-Vietnamese coalition government of "all patriotic and nationalist forces".

Such a government could be elected in free elections supervised by the United Nations after Vietnam withdraws its troops from Kampuchean territory, he said.

He said the Khmer Rouge had now to abandon its programme of socialist revolution to ensure the survival of the Kampuchean nation.

"We plan to reform the (communist) party but now we don't have the time. We have to fight the Vietnamese first."

The "Press conference" with the Khmer leader came as a surprise to the 14 newsmen as they got together in the Thai border town of Aranyaprathet to observe the work of the United Nations High Commission for Refugees in dealing with some 150,000 Khmer refugees in Thailand in the wake of the 21-month-old Vietnamese invasion.

This is believed to be the largest group of foreign journalists that Mr. Samphan has met since Phnom Penh fell to Vietnamese troops in January last year.

Earlier, the journalists told the Khmers that they would like to observe conditions on the other side of the border.

Warning

Through an intermediary, a rendezvous was arranged but it was as they prepared to cross the Kampuchean border that they were told Mr. Samphan was waiting for them.

Mr. Samphan, who had with him eight other senior members of his guerilla resistance, hosted the journalists to a working lunch during which he answered a wide range of questions through an interpreter.

He said he was grateful for the strong backing by Asean to retain Democratic Kampuchea's seat

in the United Nations.

"Our destinies," he said, "are closely linked. Asean countries cannot live in peace should Vietnam succeed in establishing its rule in Kampuchea."

He echoed the warning given 10 days ago by Thai Prime Minister Prem Tinsulanonda that Vietnam planned to include Thailand's 16 north-eastern provinces as part of the so-called Indochina Federation.

"We can prove that this is what Vietnam intends to do," Mr. Samphan said.

He added: "I don't like to speak of a domino theory but of Vietnam and Soviet expansionism."

Mr. Samphan underlined his party's intention to reform towards a less doctrinaire position by saying that his country's future would depend on Asean's committed support.

"Now our entire organisation...our policy is

to have close relations and co-operation with ASEAN. If we follow any other way, it means suicide," he said.

"If Asian countries allow us, we will be happy to join you," he added when asked if the desire to co-operate with ASEAN would go as far as seeking membership in ASEAN for a liberated Kampuchea.

Rule

Throughout the interview, Mr. Samphan avoided any reference to the ousted Pol Pot regime which, according to Vietnamese and Western sources, was responsible for the deaths of at least three million Kampuchians during their violent rule after the fall of the Lon Nol Government.

Pol Pot was removed as Prime Minister by the Khmer Rouge last December but officially he is now the commander-in-chief of the National Army of Democratic Kampuchea.

Mr. Samphan merely alluded to Pol Pot's controversial administration by saying that "errors were committed in the past by some of our cadres, either by over-enthusiasm or by ignorance."

He said the previous Khmer Rouge policy to accelerate the socialist revolution had basically failed because the people found it difficult.

One of the Khmer Rouge leaders present, Deputy Prime Minister Mr. Son Sen, who is in charge of national defence, was even more candid when he said "most of the Kampuchean people don't like communism."

Mr. Samphan, however, defended the broad goals of the former regime. Despite the initial hardships, he said, the people saw that they had a future. "Things are improving."

"The people now realize that they were better off and they are now rallying behind the Khmer Rouge sponsored United Front."

He claimed that "90 per cent of the people are now behind us with at least 50 per cent actively involved in political work for the Front."

On the military situation, Mr. Samphan said at present, the "battle" areas in Kampuchea comprise a continuous 50-mile corridor all along the western and northern borders of the country and large pockets in the eastern region bounded by Kampong Phnom, Stung Treng, Ratanakiri, Mondulakiri and Kratie.

Activities

Other areas are designated as "guerrilla fighting areas" with the exception of the two provinces of Prey Veng and Svay Rieng, east of Phnom Penh where Khmer Rouge activities exist.

Phnom Penh itself is a guerrilla area, Mr. Samphan said, where Vietnamese soldiers faced serious risks should they venture into the outskirts of the city.

He said last year, the Vietnamese began to carry out a mopping-up operation against guerrilla forces but "for the present rainy season, we have yet to see any sign that they are in any position to carry out the mopping-up operation."

"We continue to observe the situation closely and if by the end of this month, we see no such signs, then we will have the opportunity to carry out more effective attacks," he said.

He estimated that Vietnam had 125,000-man force in Kampuchea fully equipped with tanks and artillery. They had also been known to

use chemical weapons, he said. He gave the figure of Khmer fighting men as about 80,000.

Mr. Samphan said he was convinced that Vietnamese troops had lost the will to fight. According to him, one battle front was only seven miles from the camp where the interview took place "but they have not succeeded in restricting our activities."

Mr. Samphan, who is constantly on the move from one "temporary headquarters" to another using elephants for transport, claimed that the camp, about 15 miles south of Aranyaprathet, was set up more than a year ago and was "completely safe." Significantly, not a single firearm was seen anywhere or on anyone during the newsmen's visit.

On military supplies, Mr. Samphan admitted that they came mainly from China and they were delivered by sea. He categorically rejected any suggestion that the supplies could have reached Kampuchea by way of land routes through Thai territory.

On the Soviet involvement, Mr. Samphan said "it is a fundamental error to think that we can separate Vietnam from the Soviet Union. They pursue the same objective and adopt the same strategy."

"At the moment, they need each other. Vietnam is entrapped in Kampuchea for almost two years now but they have no capability to continue this war of aggression alone."

"The Soviet Union on the other hand has got its own problems—Afghanistan and Poland."

Mr. Samphan, while not prepared to set a target date for victory, said he was confident that the Vietnam-backed regime in Phnom Penh could not resist as long as the international community stepped up the pressure.

ASEAN MEMBERS VISIT KHIEU SAMPHAN'S CAMP

Kuala Lumpur NEW STRAITS TIMES in English 30 Sep 80 p 12

[Article by Abdul Guman Adnan]

[Text]

"MY WARMEST welcome to the journalists from Asean newspapers," said Mr Khieu Samphan, the President and Prime Minister of Democratic Kampuchea, as he took his seat at the head of the big table that was littered with the 14 journalists' briefcases, camera bags and other paraphernalia.

"Please do not regard this as an interview. Let us chat, have lunch, then you can ask the questions," he said to us in Khmer, translated in halting, albeit clear English, by his Economics Minister Thiounn Thiom.

We busied ourselves with our cameras for a while, set our tape recorder on "record," then took our seats, with pens and notebooks poised for action.

I glanced at my watch. It was 10 minutes past noon, Bangkok Time, on Sept 18. I had taken care to note that we left Aranyaphrathet, on the Thai side of the border, shortly after 11 am.

From our rendezvous we were driven in three Toyota pick-up vans along a road leading south and south-west. (The fact that one of us had a compass was really pure coincidence.)

We spent about 40 minutes on the road, travelling at about 100 kmh, before turning left onto a dirt track.

A few hundred yards on, we saw what could have been an abandoned border checkpoint. But

then again it might have been anything else. In any case, just 10 minutes after we left the main road, the dirt track came to an end at a ditch, about 20 yd. across. Just barely visible from the spot where the van stopped, to the left, was a rope-and-bamboo bridge.

Kampuchea, we were told, started somewhere in the middle of that bridge.

The reception party consisted of four or five young soldiers in green fatigues and Mao caps, and two Khmer Rouge officials in civvies. They greeted us with warm, firm handshakes and cordial smiles.

We were then led across the bridge straight into the camp. On both sides of the muddy path which we took were small, thatched huts raised about 3 ft. above the ground on stilts.

We could not be sure that everything we saw was not put on for our benefit. But the impression we got was that of a normal village. The huts appeared clean and comfortable. There were mothers nursing their babies, who smiled shyly for our cameras. And from somewhere among the cluster of huts came the sound of Khmer music. It was, I gathered later, young men and women "practising" traditional dances.

Finally we came to a clearing amid tall trees. Here the buildings were

of a communal nature, although they were of the same materials — bamboo and straw — as the family huts. There was a dormitory (a large hut with a row of single beds), a dining hall and a lecture hall. A large table was laid out in the open for the Press conference.

Battle front

We spent several minutes recovering from the hike and getting our equipment ready. Refreshments were served. I inquired about the weather, and someone said it was going to rain any minute now.

Then one of the Khmer officials announced: "His Excellency the Prime Minister." We turned our heads, and there, out of the shadows of the trees and the huts, emerged a small, fair-complexioned man dressed in a deep-blue shirt and dark trousers. It was Khieu Samphan himself.

I recognised him from pictures. Looking like an amiable school teacher he was hardly my idea of a cruel, heartless man whose regime in Phnom Penh from 1975 to 1979 is said to have exterminated millions of Kampucheans in a bid to achieve the communist nirvana.

He was speaking in a soft, but clear voice, often breaking off in mid-sentence for the translation. Once in a while, he would gesture for emphasis with his fine, long fingers.

After the usual preliminaries (What time did you leave Bangkok? How was the trip?) Khieu Samphan proceeded to brief us on the military situation.

He told us that the nearest battle front was only 10 km. north of the camp, but the Vietnamese position there was completely surrounded and the invaders were in no position to fight. "They have no spirit of fighting," Thiounn Thiom translated.

Khieu Samphan said his guerilla forces were facing no great problems in the western part of the country. "(The Vietnamese) are now very far in the east" after being forced to retreat.

"Our military forces are now very far inside the country," he continued. And to convince us that we were perfectly safe from any sudden Vietnamese attack, he said that within a radius of 5 km. from the camp there were 15,000 guerilla troops and their families. The camp itself was set up in December 1978, just after the fall of Phnom Penh to the Vietnamese, and had not been in any danger at all since then, he added. From my own observation, however, it could not have been more than six months old.

Anyway, he rattled off the statistics and information as we diligently took them down. The Democratic Kam-

puochan Army was now 50,000 strong, with another 50,000 guerrillas and political workers in the villages.

He said the fighting capability of the Khmer Rouge had been improving all the time. During the present rainy season usually from May to October the normal fighting unit of three men has been re-organized to enable more effective attacks on enemy platoons (30 men) and companies (about 80).

According to Samphan, earlier this month, in the province of Kok Kong, the guerrillas succeeded in "crushing" three platoons of Vietnamese. The field commander of the Vietnamese regiment around Kampong Chhnang was also killed and the enemy was now withdrawing from the area.

In the district of Leach, he continued, a whole regiment, about 500 troops, was surrounded. "We are going to crush their position," he said with a definitive gesture.

And so it went on and on. The northern part of the country, that is to say the whole of north Kampuchea from the Thai border on the west to the Vietnamese border on the east, was "a hot battlefield" whereas the rest of the country was largely "guerrilla fighting" areas.

New leaf

"Even Phnom Penh is not safe for the Vietnamese," he said. "Now they don't dare to go out to the outskirts, except if they are well armed."

During the last rainy season, Khieu Samphan told us, the Vietnamese were set on a "mopping-up" operation to eliminate the stubborn remnants of the resistance. "But we have yet to see any sign of this mopping-up."

How did the Khmers manage to obtain these gains and successes, when less than a year ago

they were written off by everyone as no-hopers?

That, Samphan replied, was due to the very active political work carried out by Khmer Rouge cadres in the villages. And the message that was brought to the people of Kampuchea, and to the rest of the world, is that the Government of Democratic Kampuchea has been turning over a new leaf.

They should not be referred to now as the Khmer Rouge. That was in the past. The political organisation behind the government was now the Patriotic and Democratic Front of the Great National Union of Kampuchea, or United Front for short.

Khieu Samphan wanted us to know that the task of the Front was not to build socialism or to make socialist revolution. ("Frankly, most of the people of Kampuchea don't like communism," Samphan's Deputy Prime Minister, Son Sen, said at one point.)

He said the struggle now was to fight for the survival of Kampuchea, its people, culture and civilisation. The most urgent need was to unite all Kampucheans, regardless of ideology. "We don't expect people to abandon their political beliefs, as long as we can agree on a common political programme to drive out the invaders."

At some point in the monologue, lunch was announced. We adjourned to the dining hut, carrying all our equipment because it was beginning to rain. Khieu Samphan sat at the centre of the long table saying, "You must be hungry."

On the table were rice, roast chicken, chicken and beef satay grilled on bamboo spikes, pickled vegetables, and a mildly spicy sauce to go with the satay. I discreetly inquired about the meat and was told, "It's all beef and chicken. There's no pork."

There were also Thai beer and Thai cigarettes, but none of us had much time for food, drink or smoke, for Samphan and his interpreter kept on talking throughout. I noticed he did not take a single bite.

'Some errors'

By then we had to strain a bit to hear him because rain was falling heavily.

He began to discuss Kampuchea's relationship with Asean, and Soviet expansionism. There was really nothing new about what he had to say on this occasion — the usual expression of gratitude for Asean's backing for the Democratic Kampuchean regime and the danger of Soviet designs to the peace and security of the region.

But he went much further. "We depend on Asean for our survival," he said. "Our destinies are linked," and "Yes, we would certainly join Asean if allowed to do so."

Throughout the interview, we heard the name Pol Pot, whom the Khmer Rouge quietly removed as Prime Minister last December but retained as Armed Forces Chief, mentioned only once. And that was by a reporter asking a question.

"Admittedly," Samphan said in reply, "we committed some errors." He said some of the party cadres were too enthusiastic in implementing the programme of the socialist revolution after the fall of Lon Nol in April 1975. At the same time, the cadres were "inexperienced" and did cause some hardship to the people.

But, as was to be expected, he avoided a direct answer. He agreed the people were forced to endure hardship, having to abandon their lives and occupations in the cities and towns to work in communes.

"Yet they now realise they were better off," he said. "Things were improving. They had a future." That future, according to him, was destroyed by the Vietnamese policy of genocide and destruction of crops.

The interview continued until 2.30 along similar lines. Khieu Samphan repeated his call to Asean "not to forsake" the Kampuchean people, and stressed innumerable times that the Khmer Rouge was "reforming" itself. (How his friends in Peking were taking the idea of the Khmers admitting their socialist revolution had failed never crossed our minds then.)

And then it was all over. Samphan stood up, saying, "You must be late for your other programmes." There were some mild protests but he added, "We would like to have you stay with us four days if it's possible. Some other time perhaps."

He shook our hands and a few of the reporters wished him "Good luck." Then, just as suddenly as he appeared, he was lost in the shadows.

The rain had stopped. We picked up our things and souvenirs — the Khmers gave each of us a jungle hammock and a woven fruit basket — and made our way back to where the pick-up vans were parked.

The reception party was now the send-off party. And apart from the fact that the path was now muddier, it was as when we had arrived trying to make pleasant conversation with our hosts on non-political and non-military matters. But it was not too easy. Each of them bore the grave expression of someone occupied in some serious affair. They talked little that would reveal what was in their hearts, and smiled a lot.

It was a strange kind of smile. The lips smiled but the eyes were looking inward.

IMPROVISATION IS ELYNOTE OF INDUSTRIAL EFFORT

Kuala Lumpur BUSINESS TIMES in English 30 Sep 80 p 6

[Article by Bernard Estrade in Phnom Penh]

[Text]

IMPROVISED improvising and tireless tinkering are the twin characteristics of Kampuchea's newborn industrial effort, an indomitable do-it-yourself undertaking almost entirely at the service of agriculture.

Such is the cumulative impression left after a recent tour of industrial installations in the country.

At one plant, an ominous fissure had appeared on the central stanchion supporting a gigantic power press that turned out ploughshares. The solution, a neat triumph of first aid, was to slap a wooden splint on the fractured post and carry on regardless.

Game leg and all, the press managed to turn out 85,000 ploughshares last year, the plant overseer declared proudly.

At another factory, where the air was grey with the fumes and dust of scorched plastic, a worker in a gauze surgeon's mask was making his contribution to Kampuchea's agricultural effort as he detached a sheet of some synthetic compound from its mould.

The sheet would end up on the land — or more precisely on the feet of peasants working the land. For today the traditional rustic sandals worn by most Kampuchean peasants has a plastic sole.

Factory directors and officials at the Ministry of Industry here all tell the same story. After Vietnamese troops arrived in January 1975, driving out the murderous Pol Pot regime, everything had to start again from scratch.

For in fleeing, Pol Pot's Khmer Rouge took with them hundreds of tons of tool equipment and spare parts.

In one metallurgical plant visited, rank upon rank of milling machines stood idle — all bits and drills having vanished with the Khmer Rouge.

There was a similar sight at a textile factory, where the enormous finishing machine for calico was out of action. "They took all the measuring apparatus away with them and ripped out the electric wiring," a factory official said.

It is not only equipment that has disappeared with the Pol Pot regime. The shortage of skilled manpower is critical.

Kampuchea had 1,500 engineers in 1975, according to the head of planning at the Ministry of Industry. "Today," he said, "there are only about 50."

The T-3 textile factory in a suburb of Phnom Penh is the biggest in the country, but only 30 per cent of its 600 workers are experienced hands. The rest have had to be trained in haste on the job.

The situation was similar at the country's main engineering works, where a former technical school teacher has been put in charge because no engineer with the proper qualifications can be found to fill the post.

In one area of the shop floor there was a blackboard where workers underwent technical training in their leisure moments.

All the machines were more than 30 years old, and the diversity of their makes complicates the task of maintenance. Worn-out parts have to be ingeniously re-produced or taken from machines out of action.

The planning department official said that 85 factories currently are operational in Kampuchea, manned by a work force of 15,000.

Salaries are uniform, irrespective of the industry in question, and vary from 60 riels (US\$16.25) a month to 145 riels (US\$36.25). In addition there are certain benefits, including free accommodation.

"Our biggest problems concern raw materials, leadership, and spare parts," the official said. "Foreign aid is absolutely vital, since we are not as yet self-sufficient."

He concluded: "We are hoping, in two or three years from now, to be up to production as it was in the time of (exiled Prince) Sihanouk and Lon Nol (before April 1975), while still keeping to Marxist-Leninist principles."

Kampuchea's industrial production is subject to government planning. Production goals, no less than raw materials, are supplied by the Ministry of Industry, which establishes the targets for individual factories in the context of the current five-year plan (1980-1985).

The finished products are then marketed by the government, which has been wary of releasing much detail about the plan itself.

"Production costs are not our primary concern at present and they are not even estimated," the Industry Ministry said. — AFP.

AGREEMENT ON MULTINATIONAL DEFENSE EXERCISES

Kuala Lumpur NEW STRAITS TIMES in English 22 Sep 80 p 1

[Text]

KUALA LUMPUR, Sun. — Malaysia has agreed to an Australian initiative to strengthen defence in the South-East Asian region whose security is being threatened by Sino-Soviet rivalry, official sources said here today.

The sources confirmed that Prime Minister Datuk Hussein Onn had had discussions on increased military co-operation with his counterparts from Australia, New Zealand and Singapore at the Commonwealth Heads of Government Regional Meeting (Chogrm) in New Delhi earlier this month.

Malaysia, Australia, New Zealand, Britain and Singapore are parties to the Five-Power Defence Arrangement set up in 1971 following the withdrawal of British troops from this region.

As the name implies, it is a loose consultative arrangement established with the aim of providing a machinery for consultation and exchange of experience in matters relating to the air defence of Malaysia and Singapore.

The sources said Britain, which is not a member of the Chogrm group, was informed of the agreement reached in New Delhi, and has endorsed it.

The next step, added the sources, was for the officials of the five countries to discuss details of the

form of military co-operation.

Australian Premier Mr. Malcolm Fraser revealed in Canberra this week that he had offered to send a team of senior officials to Kuala Lumpur and Singapore for high-level talks on a broad range of defence matters.

He said partners to the Defence Arrangement are to revive a big-scale military exercise along the lines of Bersatu Padu held in 1970.

A joint air defence exercise is also being planned by Australia, Malaysia and Singapore.

On his talks with Datuk Hussein and Singapore Premier Mr. Lee Kuan Yew, Mr. Fraser said: "We agreed that all three countries would gain much from the conduct of our respective defence forces of multi-national exercises."

"Now that we are all agreed that exercises having a more distinctive multi-national character should be re-instituted, we shall be taking early action towards this end."

Mr. Fraser said he had given instructions that Australia should move with "full vigour to help put the agreement into effect."

Early action

The Australian leader said he had indicated to Datuk Hussein and Mr. Lee that he was prepared to send the secretaries of defence and foreign affairs, as well as the chief of defence staff to visit their capitals as soon as possible.

Malaysia, Mr. Fraser said, had been strongly urging his government to keep RAAF Mirage jets at the Butterworth base beyond the mid-60s.

Australia maintains two squadrons in Butterworth as part of its contribution to the defence arrangement.

The initiative to increase defence co-operation is seen as a move to re-activate the dormant arrangement in the light of mounting tension in South-East Asia.

The pre-occupation of Datuk Hussein, Mr. Fraser and Mr. Lee at their recent talks in New Delhi was the security of the region in the wake of armed military interventions in Kampuchea and Afghanistan.

The three leaders are unanimous in their assessment that the Soviet Union will use its military might to build what Mr. Fraser termed as the "new Soviet Empire."

COMMUNIST PARTY SEEKS BROADER ETHNIC BASE

Kuala Lumpur NEW STRAITS TIMES in English 22 Sep 80 p 1

[Text]

KOTA TINGGI, Sun. — The United Front of the outlawed Communist Party of Malaya (CPM) is planning to intensify its efforts to gain the support of the Malays and Indians in the country.

The Deputy IGP and Director of the Special Branch Tan Sri Datuk Mohamed Amin Osman said today the party, after having failed in its armed struggle and underground movement, had issued a directive to the United Front to recruit new members and widen its scope of struggle against the Government.

The party, through the Front, was also hoping to unify its urban and rural subversive activities with its armed struggle in the jungle.

Speaking at the opening of a new \$2.24 million district police station here, Tan Sri Datuk Mohamed Amin said:

"The guidelines to be adopted by the Communist United Front include the infiltration of its members into legitimate organisations, like workers' unions, cultural bodies, political parties, and youth clubs and eventually win over the members to fight against the Government."

The other wing of the Communist Party — the 10th Regiment which comprised mostly Malays and Thai Muslims as members — has stepped up its propaganda and "missionary activities" with the aim to win over more Malays, especially those living in the Malaysia-Thailand border where the regiment has its base.

Pamphlets

"To achieve its objective, an organisation disguising itself as Persatuan Persaudaraan Islam (Papari) has been circulating pamphlets urging the Malays and the Muslims to support it," he added.

The pamphlets, issued in conjunction with the Muslim festive periods, aimed to mislead the people by saying that Islam and communism has the same ideology and faith.

Tan Sri Datuk Mohamed Amin said without the people's support, especially the Malays, the CPM would definitely collapse.

He said the security situation in Johore was under control with most of the communists having been arrested.

Many of the communist sympathisers have repented and turned over a new leaf after realising that they had been tricked into joining the communist movement.

He said last year, 49 underground elements were arrested in Johore and this year another 28 were arrested. Five of them surrendered after losing faith in the communist party and its ideology.

This, he added, was a big blow to the underground communist movement.

HOSPITAL WORKERS SUPPLIED MNLF WITH MEDICAL EQUIPMENT

Kuala Lumpur NEW STRAITS TIMES in English 21 Sep 80 p 8

{Text}

KUALA LUMPUR, Sat. -- Two former communist sympathisers today denounced their past involvement in subversive communist activities and pledged their loyalty to King and country.

Soo Hock Liang, 33, and his wife Chong Yit Lan, 32, regretted their activities which had brought misery to their families and loved ones.

"The lesson learnt from our mistakes should be a warning to others," the couple said.

Soo, who graduated as a pharmacist from Universiti Sains Malaysia in 1977 and Chong, a staff nurse in Kuantan, were arrested here on Sept. 11, 1978, for their subversive activities in the illegal Malayan National Liberation Front (MNLF).

Propaganda

They spoke of their past activities at a day-long civics course attended by about 200 employees of the General Hospital here.

Soo said his interest in communism started in his secondary school days. When he became a hospital assistant in Sungai Lembing in 1979 he was provided communist material and further indoctrinated with anti-government propaganda in university

On graduation, he joined the Kuantan General Hospital where he and his wife were further exposed to MNLF senior cadres and members.

Under their directions, the couple supplied patent medicine, surgical blades, injection syringes and other medical equipment to the communist terrorist organisation.

Chong said she was first introduced to communist ideology while in school in Sitiawan in 1964. She was provided with anti-government propaganda and communist study material by a teacher.

This teacher-student relationship was the beginning of her eventual involvement in communist activities. When she was posted as a nurse to the Tanjung Karang hospital, she tried to recruit supporters to the communist cause but without success.

While working at the Kuantan General Hospital in 1976, she made contact with MNLF agent Wong Yoke Chun who fully exploited and manipulated her and Soo to supply surgical equipment and medicine to the terrorists.

"Following my detention, I began to think more rationally and soon realised that I had been used as a tool and pawn," she said.

SITE CHOSEN FOR GIANT STEEL COMPLEX

Kuala Lumpur: MALAYSIAN TIMES in English 24 Sep 80 p 1

[Text]

THE central government has identified an area at Telok Kalong in Kemaman, Trengganu, for the construction of an integrated steel complex.

Trengganu Mentri Besar Datuk Haji Wan Mokhtar Ahmad said yesterday the \$500 million project would use the power generated by the Paka power station.

In a statement issued in Kuala Trengganu following the visit of Deputy Prime Minister Datuk Seri Dr Mahathir Mohamad, the Mentri Besar said that the gas-powered station would also serve other projects in the area.

He said the government decided to make Telok Kalong the site for the project because of its location.

The complex would have an iron ore storage area, a sponge iron plant, a billet plant and another factory to produce iron

rods and related steel products.

The Mentri Besar said when completed, the project would be able to produce 600,000 tons of sponge iron and part of the production would be sold to industries requiring sponge iron as primary raw material.

The rest would be processed into billets for the local industries and into steel shapes to meet the needs of the construction industries in the East Coast.

Datuk Haji Wan Mokhtar said the complex was scheduled for completion in 1984-85.

The project would be undertaken jointly by the Heavy Industry Corporation, the State Economic Development Corporation, and a foreign investor which has the technology and the raw materials for the project, he said. — Bernama

LNG TANKERS: POTENTIAL LOSS BECOMES A BARGAIN

Kuala Lumpur NEW STRAITS TIMES in English 19 Sep 80 p 1

[Text] **KUALA LUMPUR, Wed.** — Far from being a loss, the five LNG (liquefied natural gas) tankers ordered by MISC (Malaysian International Shipping Corporation) in 1975 have turned out to be a real bargain.

This was stated by the Deputy Prime Minister Datuk Seri Dr. Mahathir Mohamad in a special interview this week.

Dr. Mahathir said: "The LNG tankers have been a very profitable investment for us — purely by accident."

The Deputy Prime Minister, who is also Trade and Industry Minister, gives three reasons:

● MISC ordered the tankers at 1975 prices (US\$700 million). To get them in time for the end of 1983 (the new projected date for Bintulu LNG to come on stream), MISC would have had to make the order now, at current prices — which are at least 15 per cent more than the 1975 price.

Penalty

● Because the French shipyards have not been able to deliver according to the time schedule originally agreed, they have had to pay a penalty involving a saving for MISC on original cost.

● And because of the delay, MISC has renegotiated the whole agreement and obtained a reduction in price.

In sum, the combined cost-saving impact more than covers the cost of mothballing idle tankers until they can be operational.

Malaysia had expected the Bintulu LNG

project to come on stream in 1981. The tankers were ordered early, in 1975, so as to be ready by 1981. However, Bintulu LNG will now only come on stream at the end of 1983 — leaving the MISC, come 1981, with five tankers with capacity of 13,000 cubic metres each but no LNG to transport.

Attempts to lease out the tankers in the interim have not been successful. This is not surprising as LNG projects worldwide are usually supported by their own fleet of LNG tankers. The market is saturated.

In addition, the tankers are very specialised, not being able to carry anything but LNG. There is, therefore, no possibility of finding any alternative use for them.

Lumbered by what has hitherto been seen as tanker white elephants until 1983, there was serious worry about the financial ability of the MISC to finance their lay-up and maintenance.

The cost to mothball the idle tankers until 1983 had been estimated at some US\$200 million (assuming delivery on schedule, which in fact has not taken place).

However, the three factors mentioned by Dr. Mahathir — the difference between 1975 and present prices, the reduction in the original agreed price as a result of penalties for delay, and a further reduction from price renegotiation — these factors have turned a huge potential loss into an actual bargain.

NEW FORESTS TO SUPPLY FUEL NEEDS OF PUBLIC

Kuala Lumpur BUSINESS TIMES in English 19 Sep 80 p 19

[Article by Aditya Man Shrestha]

[Text]

NEPAL plans to convert 30,000 hectares of land into communal forests within the next five years to meet the growing firewood needs of its population.

Nepal's forests, which today amount to only 4.5 million hectares, declined by 20 per cent during the last decade. This was due mainly to the indiscriminate collection of firewood, timber and fodder.

The project, called Community Forest Development, is expected to benefit 290,000 families or about 1.9 million people living in 340 panchayat (council) units.

Nepal is divided into 3,000 panchayat units. A village panchayat's population may range from 1,000 to 10,000 people.

The project is expected to increase rural employment and provide greater access to free firewood and fodder for the poor.

At the end of 30 years, the total production of firewood is estimated at 980,000 cubic metres. Thereafter, Nepal's new forests are expected to yield 190,000 cubic metres annually.

This will be enough to meet the firewood requirement of 190,000 Nepalese. The per capita annual firewood consumption is estimated at one cubic metre.

Afforestation and reforestation projects are relatively new in Nepal.

"This is mainly because the wood shortage was felt only recently," said Prasad Krishna Manandhar, chief of Nepal's afforestation office.

It was only in 1978 that the government mapped out a comprehensive national forestry plan. It sought to return to the villagers the responsibility of forest development and protection.

Such responsibility was inadvertently removed when the government nationalised Nepal's private forests in 1967.

The villagers, however, misunderstood the move. They believed that the government was depriving them of their right to free access to the forests.

As a result, the villagers ceased to practice traditional methods of forest management and community responsibility for forest protection disappeared.

Firewood, timber and fodder were collected indiscriminately, accelerating the rate of deforestation.

The government tried to rectify this error in 1977 with the introduction of forest categories. It provided for panchayat forests, panchayat-protected forests, religious forests and contract forests. The law was later amended to encourage the development of private forests.

However, such efforts

have been hampered by the lack of local interest and the shortage of manpower and funds. For example, the government managed to afforest only 8,388 hectares of land from 1978-1980 — barely half of its 30,000-hectare goal.

Mr Manandhar, however, foresees that the major problem of the latest afforestation project — the Community Forest Development Programme — will be its maintenance and supervision.

Citing last year's figures, he said that as many as 200,000 saplings had to be replanted. Mr Manandhar hopes that with the villagers' participation, maintenance problems can be eliminated.

The villagers will be given a share of forest products which right now legally belongs to the government. Legal changes are expected to be made to suit local conditions.

The Community Forest Development Programme will cost a total of 397.4 million rupees (US\$34.8 million). The project cost will be shouldered by the International Development Agency, other international organisations and the Nepalese government. — Depthnews Special

NEPAL

BRIEFS

RASHTRIYA PANCHAYAT VICE CHAIRMAN--Kathmandu, August 20--King Birendra has nominated Dawa Phinzo Tamang, a member of the Rashtriya Panchayat, as its vice-chairman. A palace communique said the king has chosen Dawa Tamang out of a panel of three names submitted by the panchayat chairman. In the election for vice-chairmanship held a month ago, neither of the two candidates had secured two-thirds of the votes of members as required under the house regulations.

[Text] [Bombay THE TIMES OF INDIA in English 21 Aug 80 p 6]

CSO: 4220

BALUCHISTAN SEEN AS DEFENSIVE OUTPOST OF ISLAM

Karachi JASARAT in Urdu 8 Sep 80 p 6

[Article: "Baluchistan is the Defensive Outpost of Islam After Russian Attack on Afghanistan; Islamic World Should Rise Against the Russian Aggression"]

[Text] Quetta, 7 September (JASARAT Correspondent)--Maulana Jan Muhammad Abbassi [position and nationality not identified] declared here today that the importance of Baluchistan has doubled since the Russian aggression on Afghanistan. The Islamic world should be aware that Baluchistan is a strong defensive outpost. He added that the Russians desired access to warm water ports even during the period of the czars, and that if they succeed in their aim, then the West and the East will lose the bond that united them. All Islamic countries, including Iran, may cease to exist, and the sacred Islamic places in Saudi Arabia would not remain safe. Maulana Abbassi warned that should Russia succeed in Afghanistan, Pakistan, Iran and the whole Arab world would follow the same fate.

Maulana Abbassi was addressing a conference under the auspices of Idara-e-Da'wat va Tabligh Islami [Islamic Missionary Movement]. The topic of his lecture was "The Importance of Baluchistan on the International Level." He said that Russia used its old trick on Afghanistan. First it extended a hand of friendship. Then, promising progress for the country, Russia confiscated its freedom. Russia took control of Afghanistan when it saw the rise of the Islamic revolution in Iran, the establishment of Islamic government in Pakistan, and the growth of the Islamic movement in Afghanistan.

Maulana Abbassi said that the Communists are not ignorant of Baluchistan's importance. The common Baluchis are strong and proud Muslims. The Communists try to sow the seeds of communist philosophy in their minds. The foreign elements are active in Baluchistan. Their main purpose is to eliminate fundamental Baluchi beliefs. The whole Islamic world should rise against Russia to stop such actions, and throw the Communists on the other side of Amu River.

Maulana Abbassi added that the UN has failed to stop the superpowers from attacking small countries. These powers are not affected by all the resolutions passed at the UN or by economic sanctions. Maulana Abbassi said that if, inspite of its prosperity, the Islamic world does not take any action against Russia, the whole Islamic world will suffer. He said that the Islamic Foreign Ministers Conference should take some effective steps in this regards. He further said that the leaders

of the Islamic movement should teach people about their duty toward their religion and about the danger that is at their doors. The word of Islam should be spread among the Baluchis, he said.

Maulana Abbassi said that some people try to scare the Baluchis, citing the great power of Russia, but the happenings in Afghanistan and Poland clearly indicate that Russian power is on the wane. Even the Islamic provinces in Russia are astir. Maulana Abbassi said that numerous schools of thought in the world have failed; only the Islamic way is still alive and well. The followers of this religion should keep the sufferings of humanity in their minds, and be good examples to the rest of the world.

7997

CSO: 4203

INDUSTRIAL ALCOHOL FROM CANE MOLASSES

Lahore THE PAKISTAN TIMES in English 19 Oct 80, p 8

[Text]

OCTOBER, 18: Sugar mills managements are planning to set up distilleries in their respective units in order to produce industrial alcohol from cane molasses.

Chairman of Pakistan Sugar Mills Association (Sind zone) Mr. M. Akram said today that to develop an indigenous source of fuel, the sugar mills were now examining plans to develop locally the machinery for such distilleries

Mr. Akram said at present there were about seven distilleries in some sugar mills which were set up in mid-sixties, through the PICIC assistance, which was provided through a French line of credit, but these distilleries were now working under capacity. In other words, he said, these units could be described just dormant.

In Pakistan, he said, it had been determined that about two gallons of industrial alcohol can be produced from one maund of cane molasses. It is estimated that the total production of molasses in country is about four tons per annum. With

installation of more distilleries the total production of alcohol will be 250 crore gallons per annum. After this the export of molasses may be done away with, which at present is being made by a couple of parties from Pakistan.

To a question, Mr. Akram said that Brazil had already started alcohol production on a very large scale. That country, he added, had started importing sugar but producing alcohol in abundance. He said Brazil was now switching over to sugar-cane cultivation on a big scale so that the production of molasses could be enhanced.

According to official figures, about 3.5 lakh tons of molasses are now being exported annually from Pakistan. The foreign exchange earned comes to about Rs. 12 crore. As against this, our fuel imports are over 10 times more than this amount which is anticipated even more in future.

BRIEFS

EMIGRE DISSIDENT LAUDS COMMUNISM--London, 2 September (PPI)--Aslam Khattak (first name is given as Aslam in headline, and as Ajmal in text), leader of the Awami party, who is living in Afghanistan, has mocked the Islamic rule in Pakistan. He also praised the Babrak Karmal government in Afghanistan. He criticized the Islamic philosophy in a recent speech delivered in Kabul, and declared that Islam was a decayed religion. The emigre leader said that the problems in Afghanistan will be solved through the communist government. Mr Khattak assured Babrak Karmal that the Pakhtoon and Baluchi people were willing to make all kinds of sacrifices to make the communist rule in Afghanistan successful. The leader of the National Awami Party said that the Afghan revolution, which has entered a new phase, was brought about with the help of a communist power. He thanked the Babrak Karmal government for organizing the meeting (at which he spoke). [Text] [Lahore MASHRIQ in Urdu 3 Sep 80 p 8] 7997

EXPORTS RECORD 22 PERCENT RISE--Exports are picking up after a slump of nearly four months as September posted a figure of 209 million dollars against 170.9 million dollars of last year, recording 22.4 per cent increase. Since the early months record modest activity, the exports during the first quarter of the year total 517.1 million dollars as compared to 439.5 million dollars which is an improvement of 17.7 percent over last year. Judging in the context of the target of 2,600 million dollars, the onward pace may look slow in the quarter but it is bound to go up in the coming months. Figures of various items are not available yet to determine whether there were increases in quantity as well as per unit price. As usual, rice, raw cotton, cloth and carpets are believed to have led to the increase in exports. [Text] [Lahore THE PAKISTAN TIMES in Eng 19 Oct 80 p 8]

CSO: 4220

PRESIDENT MARCOS HAS LONG LIST OF PROBLEMS

Kuala Lumpur BUSINESS TIMES in English 16 Sep 80 p 6

[Article by Philip Bowring in Manila]

[Text]

FILIPINO politics are like an old steam engine, constantly vibrating and emitting periodic puffs of smoke even when motionless. Of late, the engine has been vibrating and puffing more than usual. The question is: Is this the beginning of real movement?

Is President Marcos' regime at the start of a final downhill run which at worst will see him ousted by bloody revolt or at best will see the clamour for his removal become so loud that he will peacefully hand over power?

Or is this the beginning of the evolution toward a succession which would leave President Marcos in command in the medium term? Or is the most likely outcome little movement at all? Will skilful manipulation leave him as firmly in charge as ever, with the disunity of the opposition brought into sharp focus?

On the face of things, President Marcos is in as difficult a position as at any time since he declared martial law and inaugurated his "New Society" regime in September 1972, indefinitely prolonging his second term of office as President and thwarting the presidential ambitions of his rival, Mr Benigno Aquino.

Last month, a series of bombs went off in Manila. The authorities attributed them to the "light a fire" movement, alleged to be responsible for earlier arson attempts in Manila. Some alleged members of the movement, which appears to be right wing and middle class in origin, are now on trial in Manila.

The bombs did little damage, but they may have had a propaganda effect, disturbing President Marcos and showing there could be no peace while he remains in power.

Mr Aquino, released from jail a few months ago to have a heart operation in the United States, has stayed away, and from the US is actively campaigning against

President Marcos. In a much-publicised speech to the Asia Society in New York early this month, Mr Aquino warned that violence, kidnappings and assassinations would mount as desperate opponents tried to overthrow the regime.

President Marcos is also facing severe economic problems. Oil price rises have forced the nation further into debt and, as the world moves into recession, unemployment is rising again. For many, real incomes are falling.

Muslim secessionists are still fighting in the south, and Communist insurgents are operating in several areas, while a variety of non-violent opposition groups have formed a precarious front to fight for an end to martial law and for free elections. It includes Mr Aquino's Laban Party, former President Diosdado Macapagal, and regional parties from the Visayas and Mindanao.

Other signs of opposition include an upsurge in student demonstrations, and President Marcos' loss of the tacit

support of two influential families, the Laurels and Osmenas.

Simmering hostility continues between the Church and the government. Cardinal Sin, the church leader who last year openly clashed with the government, has been quiet recently, but Pope John Paul is to visit the Philippines at the end of this year or early next. If his message is similar to the ones he delivered in Brazil in July, his visit could be embarrassing.

Rumours persist that the President, 63, is seriously ill. Although he looks fit enough, he is widely believed to be suffering from a disease which will incapacitate him within a few years. True or not, that theory affects the way others act. Cardinal Sin's criticisms have centred not so much on the martial law regime as on the lack of any mechanism for the succession, and on the danger of factional conflict when President Marcos leaves the scene.

Clearly, President Marcos has problems, but they are as yet far from fatal. Corruption

may be almost as pervasive as in the Shah's Iran, and some eminent families may be as devoted to accumulating wealth at the public's expense as the Somoza family in Nicaragua.

The President's personal dictatorship and the trappings of military rule also have something in common with South Korea's late President Park Chung-hee.

But things in the Philippines are seldom what they seem from afar, partly because of a national passion for hyperbole. There remains a wide measure of freedom of speech. Political prisoners are few, and some democratic forms survive. There is at least theoretical commitment to the rule of law, and despite oil crises economic progress has been made.

President Marcos, an old campaigner on the hustings in democratic days, is not aloof from his people, like the Shah, nor an inflexible, ultra-disciplined visionary like the late President Park. Filipino society is marked more by cheerful indiscipline than by martial author-

itarianism. And the President is still the pre-martial law politician who changed all the rules to suit himself.

For all the popular sympathy that Mr Aquino enjoys, it was widely believed that when he flew off to the US for his operation, it was the result of a deal with President Marcos. Some saw Mr Aquino's tough-sounding New York speech as an attempt to restore his credibility as an opposition leader in the face of these suspicions.

In Manila, the speech was headlined in the Press, but in such a way as to try to discredit Mr Aquino by making him appear an advocate of bloodshed and terror. In fact, he mentioned these only as possibilities planned by others.

The wild card is the army. No regime could be less martial than this one. "Martial law" in the Philippines is a civilian creation. Mr Juan Ponce Enrile, the Defence Minister, is a civilian lawyer, and no recently serving officer has come near the Cabinet so far. But the war against the Muslims

in the south has greatly enlarged the army, producing colonels and brigadiers with both combat and administrative experience.

The Philippines could explode tomorrow. But the big questions now seem to be about the medium term, not the short term. Will Mr Aquino eventually succeed President Marcos? And, if so, in opposition to, or with the blessing of, his predecessor.

There could be a gradual return to democracy which would allow the emergence of Mr Aquino or some other old or new elected leader. President Marcos could remain effective for another 10 to 15 years. Mrs Marcos, plus friends, might succeed. The army could intervene. A Communist or Peronist populism are both outside chances.

The possibilities are endless. The likelihood is that President Marcos will ride out his immediate problems and that neither the ingredients nor the personalities in Philippine politics will change decisively in the foreseeable future — FT

LEGAL CHANGES FACILITATE BANK MERGERS

Kuala Lumpur BUSINESS TIMES in English 22 Sep 80 p 6

[Article by Leo Gonzaga and Philip Bowring]

[Text]

SWEEPING changes in laws governing banks and the many other financial institutions in the Philippines may bring about a rash of mergers. That at any rate is one government objective of the changes which in part aim to reduce the legal barriers between institutions which have long compartmentalised Filipino banking, and to increase competition. The government would like to see fewer, bigger, stronger financial groups better able to lend medium and long term and at lower spreads than at present.

So far only one marriage has been finalised, between the Bank of the Philippine Islands (BPI) — at present the third largest private commercial bank in gross assets — and Commercial Bank and Trust Company (Contrust), ranked 18th out of 26. But there is much discussion between bankers, and even more rumours in the market place, about other mergers in the works involving both banks and other financial institutions.

What is not clear however is the extent to which the new rules, which are still mostly in draft form, will affect the four foreign banks with branches there — Chartered, Citibank, Hongkong and Shanghai, and Bank of America — or the minority holdings that foreign institutions hold in some Philippine banks and finance houses.

Scope for reform has long existed. At present there are 32 commercial banks, of which 26 are locally and privately owned. But one state-owned commercial bank, the Philippine National Bank, is much much larger than any of the private ones, accounting for over a quarter of all bank assets. Next in rank is the local branch of Citibank.

The largest of the local private sector banks, Allied Bank, had at the end of March gross assets of 6.1 billion pesos, only US\$420 million.

Commercial banks in total also account for only 56 per cent of financial assets, the remainder being divided between no less than 20 separate categories of bank and non-bank institution, including savings and rural banks, development banks, investment houses and finance companies.

Last year, a joint International Monetary Fund/World Bank mission undertook a study of the financial sector and came up with recommendations to reduce fragmentation, increase competition, and encourage longer term lending. Its report is the basis of the reforms drafted by the government.

Most attention has been concentrated on moves to what has been popularly dubbed "unbanking," a catch phrase used to describe the opening up of investment

banking and other banking activity to commercial banks, either as an in-house activity or through subsidiaries. However, only banks with shareholders' funds of P500 million or more will be allowed the "extended" licence needed for unbanking. Until the BPI/Contrust merger no privately owned local bank qualified as none had P500 million net assets.

Thus mergers, or an injection of capital from the shareholders, is necessary if the banks want to qualify for the "extended" licence. This status will allow the banks concerned to own all other types of financial institutions, to participate up to 25 per cent in the equity of non-financial enterprises, to undertake underwriting and other investment bank functions. They may not do finance company or leasing business directly but may own subsidiaries operating in these fields.

Expanded banks will have to make shares equivalent to at least 10 per cent of their net worth available to the public. This could be a significant boost to the stock market. At present, few banks are listed and those that are tightly held and little traded. Further measures are also contemplated to reduce family control of banks and make them responsive more to the needs of commerce in general than specific family or business groups.

Expanded banks with

500 million pesos of capital will be allowed on a case-by-case basis to reduce their net worth-to-risk assets ratio to eight per cent from a current 10 per cent. If their capital exceeds 700 million pesos the ratio may be reduced to six per cent. Measures, probably including tax incentives, will be introduced to encourage longer-term lending. One of the official complaints against banks is that though term deposits have increased rapidly in recent years as a percentage of total deposits, banks' asset maturities have not lengthened significantly.

How many institutions will want to enjoy the advantages of extended banking remains to be seen. Past efforts to encourage bank mergers have not been very successful because of family interests, and the profits to be made from the investment banking activities now allowed to commercial banks are not thought very enticing.

Meanwhile, down at the small bank end of the commercial bank spectrum there will be different forces encouraging mergers. Various types of thrift banks are being given the opportunity to expand into all commercial banking activities other than foreign exchange.

Thrift banks will thus be able to use their existing premises to attract small town and rural business which might have gone to the expanded

ing branch networks of commercial banks.

Rural banks themselves will also have their scope expanded. More significantly, the unbanking principle hitherto followed for rural banks — of which there are more than 1,000 — is being abolished. Rural bank chains will now be permitted, and commercial banks or bank holding companies will be permitted to own them.

For the foreign banks the overall package of measures still contains uncertainties. Specifically it is unclear whether their branches will be allowed "extended" banking status, and if so on what conditions. At present foreign companies are only allowed holdings of a maximum 40 per cent in non-bank financial institutions. That is unlikely to change.

The foreign bank branches would like to be able to increase their gearing ratios and enjoy any tax privileges that may be accorded to extended banks.

In certain cases they might like to be involved in some merchant banking functions. However it is thought unlikely that they would want to become involved in equity ownership of non-financial institutions. They would probably prefer to forgo extended bank privileges rather than have to incorporate their branches in the Philippines and have to sell shares to the local public.

— PT

PAP FIELDS NEW CANDIDATES FOR GENERAL ELECTION

Kuala Lumpur BUSINESS TIMES in English 24 Sep 80 p 6

[Article by Francis Daniel]

[Text]

SINGAPORE Prime Minister Lee Kuan Yew's Peoples Action Party (PAP) plans to field at least twenty new candidates for the general election expected in the next few months.

The ruling party's election committee chairman, Mr Goh Chok Tong, told reporters on Saturday that the PAP had finalised its line-up of candidates for the elections which, he said, were "around the corner."

Mr Goh did not give the election date, but other party sources said it was likely to be before the end of this year.

Singapore's about 15 opposition parties have also started preparations for the elections but they are divided and too weak to provide a serious threat to Mr Lee.

The United People's Front, an extreme left wing party led by lawyer Harban Singh, has introduced about ten candidates in recent weeks and declared that it will contest all the seats.

A new party, the Singapore Democratic Party led by another lawyer Chiam See Tong, who lost two previous elections as an independent can-

didate, was registered early this month and hopes to be the "dark horse" at the polls.

Mr Lee's party controls all the 60 seats in the Singapore Parliament and need not hold elections until the end of next year.

But Mr Goh said it was better to hold an early election so that the government could tackle economic and political problems, caused by international uncertainties in the years ahead.

A total of 75 seats, including six new constituencies, will be at stake at the elections and PAP officials are confident that their party again will make a clean sweep.

Mr Goh introduced the party's first new candidate, Dr Wong Kwei Cheong, 38, and said that the others in a "fairly long list," numbering around 22 or 23, would be introduced over a period of time.

He gave no indication who among the present Parliament members would be asked to step down.

Alluding to criticisms here that the PAP had been relying more and more on professionals with little or no political base, Mr Goh said:

"The new candidates are not just technocrats and successful men in their respective fields. Many have been active in community work and grassroots or organisations."

Mr Goh who is also the Minister of Trade and Industry and one of the young party men being groomed to take over the new political leadership by the end of this decade, said: "The future of Singapore depends on having the right people in charge of its destiny."

The PAP's new recruits, Dr Wong, a former physics lecturer in the University of Singapore and a business executive, said the opposition parties were likely to harp once more about the PAP's dominance in Parliament. But this was hardly a ticket to carry them through, he added.

The PAP which has been in power since Singapore's independence 30 years ago, had swept the board in the last three successive elections. Voting is compulsory in Singapore.

The main interest in the forthcoming elections will be whether the opposition parties can

break the PAP parliamentary monopoly.

The PAP won about 75 per cent of the popular votes in the last elections. But opposition leaders said that this time the support for the ruling party among the 2.3 million Singaporeans would show a decline because of the government's failure to arrest spiralling costs.

They said Mr Lee's government also had lost a great deal of public sympathy because of its frequent policy changes affecting almost every sector of the island's economic and social life.

But PAP officials brush aside the opposition claim, pointing out that it was under the party's rule that Singapore had become the major financial and industrial centre in South-East Asia.

They made clear that Prime Minister Lee and his colleagues again would claim a mandate in the elections based on their past economic performance and future plans to take the island state into a higher technological sphere — a programme known here as "the second industrial revolution." — Reuter

PRIME MINISTER CRITICAL OF AUSTRALIAN TRADE POLICIES

Kuala Lumpur BUSINESS TIMES in English 16 Sep 80 p 6

[Article by Francis Tanfel]

[Text]

MAJOR economic policy differences have erupted into an acrimonious debate between Australia and Singapore, injecting a sour note into their relations.

The controversy came into sharp focus last week in a public and frank exchange of views between Singapore Prime Minister Lee Kuan Yew and his Australian counterpart Malcolm Fraser.

Mr Lee fired the first salvo, accusing Australia of not facing up to realities in its economic and trade outlook, when he was in Delhi with Mr Fraser to attend the Commonwealth regional summit conference.

Australia would lose its economic and political links with South East Asia if it maintained its protective economic policies indefinitely, declared Mr Lee.

Mr Fraser vigorously defended his country's policies and charged that Mr Lee had failed to grasp the present economic situation in Australia.

The two leaders continued their debate in the presence of Australian newsmen on board a chartered aircraft which flew them back to Singapore.

This was followed by several hours of discussions between the two Prime Ministers during Mr Fraser's two-day stay

in Singapore before flying off to Canberra.

But fundamental differences over their economic policies remained unresolved, diplomatic sources said.

Both Singapore and Australian officials said, however, that the tough public postures adopted by the two Prime Ministers did not mean an open rift in the harmonious relations of the two countries.

"In fact, the exchange of views has brought about a better understanding of the basic positions between us," one Australian diplomat commented.

Singapore wants Australia to move out of un-economic industries such as textiles and footwear instead of building protective tariff walls around them. Mr Lee charged that Australia was resorting to artificial restraints because some of their industries had lost the competitive edge against those in South-East Asian countries.

Mr Lee told Mr Fraser that Australia's "crusade" against European Economic Community (EEC) protectionism was not consistent with the views and sentiments he espoused.

Mr Lee argued that Mr Fraser could not rally others to join in his condemnation of EEC poli-

cies when Australia itself was "more restrictive, more conservative and more backward looking exporters like Australia, than the meanest of the Europeans."

Australia's policies would mean in the long term that Singapore and its partners in the Asean would sell their products elsewhere.

"And you (Australia) will become increasingly irrelevant when we come to make up our minds about major regional policies. Because you are not appearing on our balance sheets," he said.

Mr Lee's comparison of Australia's protectionist policies with that of EEC apparently touched the raw nerve in Canberra where the Deputy Prime Minister and Minister for Trade, Doug Anthony, challenged the Singapore Premier's assumption.

Mr Anthony's statement, issued through the Australian High Commission here, said that Mr Lee was being "unrealistic" in comparing Australian trade policies with those of the EEC.

"While Singapore's sales to Australia are steadily increasing, Australia's trade with EEC was being strangled by the EEC's protectionist policies."

The only trade barrier Singapore normally faced in Australia was

tariffs. By contrast, the EEC was a closed market for efficient agricultural exporters like Australia, he said.

Ironically, the controversy emerged only a few weeks after an Australian government publication entitled *Asean-Australia, the Growing Partnership*.

Australian investments in the Asean countries increased from US\$19 million to US\$36 million in 1979, the publication said. The total value of Australian investments in Asean is estimated at more than US\$550 million.

Over the past 10 years trade between Australia and Asean countries had increased more than five-fold with two-way trade in 1978-79 amounting to US\$1,907 million, it said.

But there was a sharp imbalance in total trade in Australia's favour, with Australian exports to Asean last year reaching more than a US\$1 billion against imports amounting US\$700 million.

Singapore was the only Asean country to have a favourable balance in its trade with Australia last year with its exports outstripping imports by more than US\$13 million, according to the publication.

But Mr Lee insisted that if Canberra failed to dismantle its trade barriers aimed at keeping ef-

fective competition out of its market, Australia ultimately would become irrelevant to Singapore and other Asean countries in their economic and political considerations.

But Mr Fraser had the last word when at an impromptu Press conference before leaving Singapore he said: "I emphasised to Mr Lee that in Australia on a per capita basis we buy more goods from developing countries than I think any other industrialised country in the world."

"If Asean had the same access to North America and Europe as they have to the Australian market, Asean would be selling well over a billion dollars a year more in the sensitive areas of textile apparel and footwear."

"I've pointed out that there is a substantial restructuring in Australian industry taking place. Our exporters are now vigorous and outward looking that our manufactured exports rose by 30 per cent last year and I have no doubt that process will continue."

He also invited Mr Lee to go to Australia to discover the true facts of economic life there for himself. And Mr Lee has scheduled a visit to Australia before October next year. - Reuter

PARLIAMENT APPROVES DISTRICT DEVELOPMENT BILL

Madras THE HINDU in English 23 Aug 80 p 5

[Text] Colombo, Aug 22--The District Development Bill which seeks to decentralise administration was adopted by the Sri Lanka Parliament last night with an overwhelming majority.

In fact the Bill was unanimously adopted with 151 in favour and none against as the members of the Sri Lanka Freedom Party headed by Mrs Sirimavo Bandaranayake who opposed the Bill staged a walk out soon after the SLFP Deputy Leader, Mr Maithripala Senanayake, had made his observations on the measure. The Tamil United Liberation Front voted with the Government.

Explaining why the SLFP was opposed to the Bill, Mr Maithripala Senanayake said every section of the Bill was replete with dangers and pitfalls not only to the present generation but also to the generations yet unborn. The attempt on the part of the Government to force the bill down the throat of the people without a referendum--a right unequivocally given to them by the ruling of the Supreme Court--was not only a national crime but also an unconstitutional act. He, therefore demanded that the Bill which affected national unity and national integrity be submitted to a referendum in accordance with the ruling of the Supreme Court.

Winding up the debate, the Prime Minister, Mr R. Premadasa, said election to Development Councils would itself be a form of referendum. 'The Supreme Court had ruled that certain sections of the Bill contravened the Constitution and that the measure required to be put to a referendum. The Government had amended the Bill to conform to the ruling of the court and therefore no referendum was called for.

Mr S. Thondaman, Minister of Rural Development, said no development was possible without racial and religious unity and it was with the object of fostering this unity that the present Bill had been introduced.

Mr S. Thondaman, Minister of interested in the next generation but only the next general elections. [as published] They preached racial discrimination and hatred. Because of this the Tamil people had gone to the extent of demanding a separate State. The cry of Eelam was only a tactical move.

Congratulating the President on having introduced the Bill, Mr Thondaman said it had nothing to do with the Tamil problem, but only sought to develop every region in accordance with the aspirations of the people.

Earlier during the debate the Leader of the Opposition, Mr Appiah Amirthalingam, said the TULF fully supported the Bill as its objective was the development of the whole island, including the Tamil-speaking areas of northern and eastern provinces.

He emphasised it had nothing to do with the problems of the Tamil people including the demand for a separate State.

The proposed District Councils would give an opportunity to every district to develop according to the aspirations of the people of the area and also offer employment opportunities.

The Wijeratne, Minister of Justice emphasised that the intention of the Bill was to decentralise administration so that the people might take a direct part in the administration of their areas.

CSO: 4220

BRIEFS

LOAN FROM JAPAN--Tokyo 7 Oct KYODO--Japan will extend up to yen 3.4 billion in "united" commodity loans to Sri Lanka, the foreign ministry announced Tuesday. Related notes were exchanged in Colombo the same day between Japanese Ambassador Kazuo Chiba and Sri Lankan Finance-Planning Ministry's Acting Secretary C. Changmugan, the ministry said. The credit carries an annual interest of 2.75 percent and is repayable over 30 years, including a 10-year grace period. It is designed for purchase of such goods as fertilizers, steel products, machinery, textiles and electric appliances, he said. As a result, Japan has provided Sri Lanka with some yen 65.8 billion in cumulative yen loans since 1966. [Text]
[OW100113 Tokyo KYODO in English 0929 GMT 7 Oct 80]

CSO: 4220

THAILAND

GENERAL SUTSAI INTERVIEWED ON POLITICAL VIEWS

Bangkok DAO SIAM in Thai 29 Aug 80 pp 1, 16

[Article: "Sutsai Is the Leader. He Says That He Will Not Buy Votes and That He Has the Support of Soldiers and MP's"]

[Text] The "leader of the Red Gaur" in the ISOC has joined forces with Mr "Wattana Atsawahem" to form a political party, with the symbol of the party being a red gaur passing through a wheel with the words "We Dare To Solve". "We are doing this for the survival and security of the country," he boasted. "MP's from major parties that support and government have left those parties to join us. Most are excellent MP's who have a military base of support. We also have the support of students and laborers from various organizations. As for the details and the policies of the party, please be patient another 33 days and you will know for sure what the name of the party is."

At his home on Soi Supharuam, on the morning of 28 August, high-ranking government officials came to join in celebrating the 60th birthday of Major General Sutsai Hatsadin, the "leader of the Red Gaur" who worked for the ISOC. At 1300 hours, Major General Sutsai, together with Mr Wattana Atsawahem, the former head of the Democratic Siam Party and an MP from Samut Prakan Province, was interviewed by a reporter concerning the formation of a political party to support General Prem Tinsulanon. The leader of the Red Gaur stated that "today is the day I start my political career. Today is the first day that I admit to being the leader of a political party that will be [officially] established in another 33 days. In forming this party, we have not bought the vote of any MP. We will allow only MP's of good quality to join our party without worrying about numbers. Also, we will not have just MP's but will allow the people to join too."

The reporter then asked whether high-ranking military officers have supported the formation of this political party and whether they have joined the party. "I am the only one to do so openly," stated Major General Sutsai, pointing at himself. The reporter then asked whether the party had been established to support Prime Minister Prem. Major General Sutsai answered in a rather irritated way that "you have given this interpretation yourself. My silence does not mean that I

support Prime Minister Prem. You misunderstand why I have formed a party. I formed it for the survival of the country. I support all good people," he stated in conclusion. Major General Sutsai asked the reporter a question: "Answer me this: whom do the people like?" And he added, "in politics today, any group that holds the interests of the country as a principle will survive. I have established a political party because I feel that, at present, our country cannot solve the problems and this has led to government instability. This is one reason for the great number of small parties. And none of the parties has a majority in parliament. The reason is that the parties do not have a base of MP's who will give money for campaigning. For these reasons, I thought about what could be done to make our country safe and so I considered forming a party. In forming the party, I already have a power base. My base is composed of students, laborers and various organizations. Even though I have this base, I do not think it is sufficient since there are still 80 percent of the farmers whom I am trying to gain the support of by spending money in the rural areas. If these efforts do not bring results, I will not have lost anything. I will consider this a donation to them. But if they come to have faith in me, I will have greatly expanded my mass base."

Along with this, the leader of the Red Gaurs told the reporter that "I have a solution. We must think, speak out, analyze things and then solve the problems." The reporter asked whether, after forming the party, he would stand for election. The leader of the Red Gaurs said seriously that "in the political way, we must stand for election but if I don't have enough prestige, I will have to ask my friend to become the head of the party at the proper time."

The reporter also asked whether, before establishing the party, he had ever spoken about this with Prime Minister Prem and whether the prime minister had agreed. The leader of the Red Gaurs stated in a loud voice that "oh, friends have to talk together, just like husbands and wives. If we have any problems, we have to discuss things with each other. As for whether or not he agrees with this, I have not seen any objection on his part," said the leader of the Red Gaurs with a raised voice at the end. The reporter also asked whether he had sounded out General Prem about being the new prime minister. The leader of the Red Gaurs said sharply that "yes, I have spoken to him about this but I do not want to reveal his answer. I know the answer." At the same time, the leader of the Red Gaurs pointed at Mr Wattana Atsawahem and said that "I know two people -- Mr Wattana [and myself] Two are enough."

Concerning the extension of the term of office of the commander in chief of the army, Major General Sutsai stated that "I have discussed this frequently. The newspapers have created two positions. One says that the term should be extended and the other says that it should not. This is being done in order to have them fight each other and

this leads to losses. Such reporting leads to conflicts. My feelings about this are different from yours. It is not yet time for General Prem to retire. Why do you have to make predictions ahead of time?"

The reporter then asked if he had any definite ideas to propose to help improve the present government. The head of the Red Gaur said good-humoredly that "as a close friend [of General Prem], people have told me that General Prem is too weak and that he is afraid to make decisions. I tell them that this is not true. He is a strong person who does make decisions." He also told the reporter that "if we get into a fight with anybody, if they have weapons and we do not, how can we defeat them. We have to obtain weapons with which to fight them." He repeated that "I do not want to speak about the third person because this would not be proper. It is not that I am afraid but it would be impolite to do so."

Concerning how he feels about the present economic team, Major General Sutsai thought a moment and then said that "all of them are able people but they have not been able to accomplish much yet because they have not been in office for very long and they are not honest. They have divided the interests of the country among themselves. Many problems have come up at once and the government can not solve all of them and this has led to a failure to achieve results in economic administration." He added that "there are only a few people who want to become prime minister. If the present government falls, the person who becomes the new prime minister may not be a capable person. Thus, the person who is suited to become prime minister must have three bases: a military base, a mass base and [a base among] the MP's."

The reporter asked about the general policies of the new party but Major General Sutsai, like a politician, empathetically stated that "I cannot tell you. Wait another 33 days and I will tell you tell you the name of the party, how many MP's have joined the party and where the party's offices are. We are fully ready and even the party's platform has been prepared. Now, I can only tell you that our platform does not hold people to be the principle thing. Rather, we will do everything to keep the country safe."

At the same time, Mr Wattana Atsawahem revealed that the "reason that I have joined the party with Major General Sutsai is that, concerning the Democratic Siam Party, neither the secretary-general or the members of the party hold views that are in line with mine. They have become involved in the extension of the term of office of the commander in chief of the army as MP's. I do not think that it is proper for them to do this. Thus, I have announced my resignation from the party."

As for how much it has cost to form this new party, Mr Wattana stated that "we have had to spend some money, such as for printing leaflets. But we have resolutely refrained from buying votes. The party belongs to all and everyone has similar ideals," stated Mr Wattana in conclusion.

Furthermore, in celebrating his birthday, the "head of the Red Gaurs" gave out keys in the shape of a red gaur jumping through a wheel. Inscribed were the words "We Dare to Solve." He also distributed car stickers, on which were written the words "We Dare to Solve" in red letters just as on the keys.

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CSO: 4207

THAILAND

GENERAL RAWI DEBATES DEMOCRACY, CPT THREAT

Bangkok TAWAN SIAM in Thai 15 Sep 80 pp 6, 2

[Politics, an Interesting Subject column by Dr Pricha Hongkraihoet]

[Text] Major General Rawi Wanphen and Dr Somchai Rakwichit were invited to participate in a discussion at the Ambassador Hotel on the occasion of the third anniversary of the founding of the newspaper TAWAN MAI. The subject of the discussion was "The Democratic Revolution." There were some very important points made that should be discussed.

Dr Somchai Rakwichit stated that he feels that using military force to carry out a revolution is outmoded and that if military force is used like this in the country again, it will only hasten Thailand's becoming communist. Communism must be fought with real democracy and not with the present system of government, which Dr Somchai Rakwichit considers to be a "false" democracy and which is, in fact, a dictatorship.

The solution proposed by Dr Somchai Rakwichit is that Thailand must have a democratic government. There must be a new democratic revolution so that the government has a popular base of support and so that there are real political parties. An example of what can be done is the "constitutional revolution." The political parties can each propose the names of two or three people suited to be prime minister and the people can directly elect one of these people. This will give the government stability and the democratic revolution will be completed.

Major General Rawi Wanphen stated in support that, at present, Thailand has a very important but very knotty problem and that is the problem of our political backwardness. Thus, we must carry out a democratic revolution in order to make political progress. Otherwise, the communists will destroy the nation. Major General Rawi Wanphen feels that the political revolution that Thailand must carry out must be a "democratic revolution." At present, we do not have democracy. We only use the name and claim to be a democracy but in reality we have a dictatorship.

Major General Ravi Wanphen believes that the people who can carry out the revolution are members of four groups only. The first group includes those who hold political power now. The second group includes those who do not have power but who want to see good changes made. The third group consists of the masses. The fourth group is the Communist Party of Thailand, which is carrying out serious acts of destruction.

As for these four groups, Major General Ravi feels that the first group has the greatest chance (to succeed) if the goal is to keep Thailand from becoming communist. The only thing is that this group must make personal sacrifices and have democratic ideals. But if the other groups, especially groups two and three, carry out the revolution, this may be dangerous since it may allow the communists to interfere. But if group four succeeds, all Thailand must become communist.

From the views of both scholars, it can be seen that Thailand is presently in a "war" situation but it is a war between democracy and communism to win over the people. If we have a real democracy, we will defeat communism but if we continue to have a sham democracy, we will certainly fall to communism. At present, we do not have a democracy. We must achieve democracy in the country and the group with power must carry this out by making sacrifices for the country. We can do this without having to shed blood just as India did during the period of Mahatma Gandhi and just as Japan did, for example.

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CSO: 4207

THAILAND

RELATIONS WITH SOUTH KOREA REVIEWED, CHON TU-HWAN PRAISED

Bangkok SIAM RAT in Thai 29 Aug 80 p 5

[Editorial: "Thailand and the Republic of Korea"]

[Text] General Chon Tu-hwan will officially become the new president of the Republic of Korea within the next several days in accord with the expectations of the Korean people. The new president of Korea will be the 11th president and he takes this position in the wake of very terrible political events, following which he was elected by the people to this position.

The Republic of Korea has very friendly relations with Thailand and these friendly relations are daily improving and developing. Since Korea has a new president, we would like to express our congratulations and welcome him as [the president] of a friendly country.

Since the assassination of President Park Chung Hee on 26 October 1979, Korea has experienced very severe disorders, which began with the student demonstrations, the conflicts between the employers and the workers and the bloody demonstrations in Kwangju, which took place for one reason only -- the people's demand for democracy. These things caused the country's political and economic situation to deteriorate greatly. When General Chon Tu-hwan took over as leader of the country, he was able to control the situation and he has laid a foundation for democratic government. He has reformed society and earnestly developed the economy in an unprecedented way. Mr Chon Tu-hwan also took the position of chairman of the National Security Council and supervised the work in accord with the targets until he became president.

In fact, political life and the political situation in South Korea have been threatened and interfered with by North Korea. Even the case of Mr Kim Dae Jung, who is being tried on charges of trying to forcefully overthrow the government, is a result of communist interference. However, the handling of this case in accord with the law is an internal affair of South Korea and, therefore, it must be allowed to run its course in accord with the law.

Concerning our views, we expressed our congratulations to Mr Chon Tu-hwan on becoming the new president because we are certain that he will govern the Republic of Korea in a democratic way and this will be beneficial for peace in Asia, which can become one part of the world where there is peace and which can help there to be peace in the world.

We hope that, beginning now, the friendly relations between Thailand and the Republic of Korea under the leadership of President Chon Tu-hwan, the new president, will grow even stronger, and this includes friendly relations on the artistic, cultural, political, trade and economic fronts.

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CSO: 4207

THAILAND

ROK COMPARED TO THAILAND, US ACCUSED OF INTERFERENCE

Bangkok BAN MUANG in Thai 16 Sep 80 p 3

[A Look At the World Today column by "Free Man" "The Path of South Korea"]

[Text] Some readers are still interested in the situation in South Korea because some of the things that have happened there are similar to things that have happened in Thailand. But South Korea is greatly different in that some countries, such as the United States and Japan, have some influence over South Korea and they have tried to interfere in the internal affairs of South Korea.

When General Chon Tu-hwan, the chairman of the joint chiefs of staff, was selected to be the new president of South Korea, there were jeers that he would be a dictator. Also, concerning the deliberations in the case of Mr Kim Dae Jung, the leader of the opposition who was brought to trial on charges of inciting student demonstrations in Kwangju, it was feared that he would not receive justice.

The affairs of South Korea are the affairs of South Korea and interference by other countries is not proper.

Chon Tu-hwan, the new leader of South Korea, has announced that he will follow the [policies of] President Park Chung Hee in creating internal order and strengthening the security of the country in all respects.

He has stipulated policies for administrating the country that will enable the country to have a wholesome and just society in which there is mutual trust and prosperity and that will enable the country to be a strong welfare state.

Concerning the inequities in society, for example some politicians have become very wealthy by making use of their political power and some wealthy people have spent money extravagantly, if such things are not investigated and halted properly, internal conflicts will arise and this will be more dangerous to the security of the country than enemies outside the country.

Korea belongs to the Korean people, who gave their blood and sweat to build the country. It does not belong to just a few. ["] In 1980, we must eliminate all the evils of the past and build a democratic welfare state.

["] Concerning the path mentioned above, the first element is to build a democracy that is suited to the political atmosphere in our country. Another element is to improve social welfare. The third element is to build a just society and the fourth element is to help promote patriotism and discipline by reforming education and promoting cultural values.["] In his capacity as president, General Chon Tu-hwan will establish a basis for reaching these goals.

Democracy is a wonderful thing but it must have a secure basis. Korea has already suffered great losses because of using a democratic system that did not have a firm basis. ["] We intend to have an efficient constitution that will be capable of withstanding political confrontations as in the past. And in order to reform the political atmosphere, in formulating a new constitution, it will be proposed that popular elections be held by October at the latest.["]

General Chon Tu-hwan talked about the presidency. He said that he believes that the person who holds this position must be aware of the fact that the power he holds is not a tool for seeking personal benefits.

As for social welfare, the government believes that it is of utmost importance to provide more job opportunities for the people by investing in various private business ventures. The government will improve the working conditions of the people, close the wage gap, provide economic security for the workers and build labor relations for the prosperity of all.

The government will help build the Saem Won Undong (the New Community Movement) in order to increase the incomes of the farmers and develop and modernize the rural areas. The movement will be expanded to the cities and industrial plants and heavy industry and the chemical industry will be improved. Help will be given to improve exports in general. Standards will be set in order to stabilize the price of goods and the distribution of goods necessary for the daily lives of the people will be improved.

Yes. Each country may stipulate political policies that are suited to the political climate in that country but what is the same in each developed country are the welfare arrangements that are made so that the lives and families of the people are comfortable and secure.

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CSO: 4207

THAILAND

THAI VULNERABILITIES DISCUSSED

Bangkok SIAM RAT in Thai 28 Aug 80 p 5

[Editorial: "The Security and Safety of Thailand"]

[Text] In his analysis concerning the security of the country, Squadron Leader Prasong Sunsiri, the secretary-general of the National Security Council, mentioned five points in solving the problems concerning the safety of the country. We feel that it would be very useful for people to think about this analysis.

The five points include solving the border problem, which is causing conflicts among the people in the country and which has a great effect on the security of Thailand. The second point concerns solving the problems of war refugees fleeing into Thailand. The third point concerns the destruction of the country through terrorism in Thailand and the various terrorists that have formed a united front with the communist party in Thailand. The fourth point concerns poverty and social injustices, which can be used to mobilize people and spread propaganda in order to cause disorder. The final point is that government in Thailand is not really democratic and the enemy has frequently used this in its propaganda and criticisms.

Concerning these five points, we feel that the first three are external matters and that they were caused by the actions of countries that have bad intentions toward Thailand. The government has tried to solve these problems using both political and diplomatic means but we do not have any idea whether results have been achieved or not.

But the last two points concern domestic matters. It is the duty of the country's administrators to carry out things in accord with these observations and views.

In accord with the principles proposed in point 4, we know that the government has tried very hard to solve these problems. But it may take time to solve these problems and from what we know and have seen, the actions and efforts of the government look as if they are adequate to solve the problems in accord with the targets if we just allow the government enough time.

As for the fifth problem, we feel that this is the most important of the five points. It is the problem that is the closest to the Thai people. Besides this, it is a problem that is not beyond our capabilities to solve.

Concerning this matter, we feel that the entire civilian population of Thailand wants and hopes that things can be like that, that is, that our country can be governed in a truly democratic way. But if the country is to be democratic, the administrators, that is, the government, must lead the way for the people, even if they have to pressure those people whose thinking is still not on the democratic path.

Concerning these five points dealing with the safety and security of our country, we think that the government will take strong action quickly before it is too late.

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CSO: 4207

RIGHTISTS SAY POLICE HELP SMUGGLERS ON LAO BORDER

Bangkok DAO SIAM in Thai 31 Aug 80 pp 1, 2

[Article: "Appeal Made to Close the Border; the Police Are Blamed For Aiding Traitors"]

[Text] The situation along the Thai-Lao border is confused. Thai Volunteers for National Defense held a large rally to protest the lack of cooperation by police and district officials in arresting traitors and to protest their abandoning such cases. They insist that if things do not improve, they will turn in their weapons and quit being Thai Volunteers for National Defense. They were supported by the Village Scouts and people. They also said that they were resolutely against the reopening of the Thai-Lao border.

A DAO SIAM reporter in Nong Khai Province has reported that at 1030 hours on 30 August, 2,500 Thai Volunteers for National Defense, Village Scouts and people from Phon Phisai District gathered together to protest against Phon Phisai district officials. The people and Village Scouts carried posters. The reason for the protest by these people is that they were unhappy with the government officials, especially the police and district officials. Another important reason for this protest was that the people did not want the government to reopen the Thai-Lao border, saying that, in their opinion, Laos is an enemy of Thailand.

The protestors also discussed the events of 28 August. They said that at 2400 hours that day, a Thai traitor who was taking fishsauce to a Lao group was captured by Thai Volunteers for National Defense and much evidence was seized. Arrested was Mr Thongun Yothakun, age 32, the owner of the Thaithorai Shop at the Phon Phisai market. His wife is a Vietnamese refugee. Besides this, the officials also seized another large quantity of fishsauce loaded on a truck. On the day these events took place, Police Lieutenant Somphet Sawong, an inspector, took part in making the arrest. He turned the suspect and evidence over to Police Lieutenant Thongdaeng Phuwana, the officer on duty. The people claim that after Mr Thongun was turned over, some policemen tried to have the case dismissed in order to

help Mr Thongun. Another matter is that a policeman who had been transferred is trying to have himself reinstated in his old position at the Phon Phisai district police station.

There were several spokesmen for the Thai Volunteers for National Defense and the people. The first were Mr Wirat Wonghabut, the Phon Phisai S.J., Mr Noi Khotana, Mr Kluai Khotawong, Mr Soem Phaengthongdi, Mr Chamnien Laisakun and Mr Sayan Na Ubon. The Thai Volunteers for National Defense and the people made appeals to Mr Prasoet Phoemsap, the Phon Phisa district officer, concerning the following: (1) The Thai-Lao border should not be reopened since the the Thai Volunteers for National Defense and the Village Scouts have not had any rest for months; (2) the Thai Volunteers for National Defense have not received cooperation from the officials; (3) they are dissatisfied over the transfer of the policeman; (4) they are afraid that the police will alter the case involving the seizure of fishsauce; and (5) they are asking the police officials and the deputy district officer to cooperate. If things continue as before, they will turn in their weapons and quit the Thai Volunteers for National Defense.

Mr Prasoet Phoemsap then came out and told those gathered that he agreed with them and that he guaranteed that he would carry out matters for the Thai Volunteers for National Defense. The people were satisfied and they dispersed at approximately 1230 hours.

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CSO: 4207

THAILAND

COLUMNIST SLAMS MILITARY DICTATORSHIP

Bangkok SIAM RAT in Thai 28 Aug 80 p 11

[Outside SIAM RAT column by Nin Cha: "From South Korea to the Sky Dragon Battle Hero"]

[Text] There is a story that says that once not too long ago, Vietnamese Prime Minister Pham Van Dong met with Dr Kurt Waldheim, the secretary-general of the United Nations, and told him that:

"Thailand is like that, that is, the military will keep interfering in politics for a long time to come."

Listening to this tells us that Vietnam knows exactly where our weak points are.

Concerning this, I would like all those who eagerly seek high positions to remember how contemptuous our enemies are of Thailand. Thus, I beg you not to do anything that can be construed as "robbing the country." Otherwise, we may not have a country and Thais may have to become refugees -- who knows!

But people should not become angry over the words of Pham Van Dong because what he said has not occurred just in Thailand. There are many countries that are in the same situation.

As a clear example of this, look at South Korea. The military there is much more savage than in our country.

Will we let Thailand become like that?

The fight for power among the soldiers led to a sad ending for Park Chung Hee. (Whether Park Chung Hee was good or evil, he helped the country to become prosperous in only a very short time.) This was done for power and a single benefit.

Recently, Mr Chon Tu-hwan (a former general) was elected as president by a "rubber stamp" parliament. If we look at this from the

standpoint of developing democracy in the country, it looks as if the future will be very "dark."

Does this mean that our political situation in developing democracy provides a better chance to succeed?

When such is the case, why must we fight each other for power and allow others to look down on us when the present government is trying to do the best it can?

It would be better if we all resolutely helped each other develop the economy.

"If a finger is bad, just cut it off and don't worry about it."

The government must show strength by using the power it has so that it is useful in a correct and successful way. It cannot feel sorry for anyone. If this done, who will dare to do anything about it. Don't be afraid. The people are always willing to support an honest government.

Let us return once again to the matter of former General Chon Tu-hwan taking power since this is an example that should be used as a lesson.

After the assassination of President Park Chung Hee, the person who became the scapegoat was Mr Kim Jae Kyu, the former director of the Korean CIA, who can be likened to a pawn in chess that was sacrificed in order to win the game. And the real winner was Chon Tu-hwan.

The dictatorship in South Korea is like every other dictatorship. The rise to power of Chon Tu-hwan was systematically planned in great detail as everyone is well aware.

It looks as if he imitated our country.

And if this is correct, South Korea under the administration of Chon Tu-hwan will have an even "stricter" dictatorship than during the time of Park Chung Hee.

But he will certainly have to talk about national development aimed at full democracy in order to fool the people so they have some hope.

This is a ready-made formula of dictators in underdeveloped (politically) countries which enables the military to continually retain power.

The thing that dictators always like to claim is that "we are not yet ready for full democracy." They claim this by citing national security as a reason.

If we look at the facts, this seems reasonable.

But why don't they let the civilians govern the country with the military serving as the protectors of democracy?

The question then arises: What do the soldiers want in acting like this?

The answer is "personal benefits." This includes power and rank, isn't this true?

I would again like to refer to "The Sky Dragon Battle Hero," a Chinese movie that just finished playing several days ago, in which "Theng Hong," before dying, heatedly tells the emperor that "fame and unexpected rank can cause a person to change."

This is a philosophical question that each leader should think about:

What am I doing? Am I doing things for myself and to "steal the country?"

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THAILAND

GOVERNMENT POLICIES TOWARD SOUTH CRITICIZED

Bangkok BAN MUANG in Thai 12 Sep 80 p 4

[Nui Bangkhunthien column by Nui Bangkhunthien: "The Southern Problem"]

[Text] General Prem Tinsulanon escorted the king, who was leaving for the southern palace, to Don Muang. He granted a short interview there, saying:

"The situation in the south is under control and there is nothing to worry about. The military, police and administrative sectors which are responsible in the various areas are all carrying out their duties satisfactorily."

By chance, I just returned from a trip to the south.

Viewed uncritically from the outside, things seemed exactly like the prime minister said they were. But looked at more closely in terms of the lives and movements of the common people, there are complicated and worrisome problems.

They are simmering problems that are ready to explode at all the weak points.

In the south, of the four southern provinces of Satun, Yala, Pattani and Narathiwat, the only province that is not worrisome is Satun. In the other three provinces, there has been a steady stream of problems.

And Yala has fewer problems than Pattani and Narathiwat.

Concerning the areas of jurisdiction of the government officials, they are most efficient in the cities, which is where the various officers and branches are located and where the military forces, weapons and provisions are gathered together.

But the government officials do not go into the rural areas.

Thai Muslims do not welcome strangers.

These people live in their own groups, they speak the Yawi language, they study at religious schools (pondoks) and they live their lives in accord with the rules stipulated by respected elders. These Thai Muslims rarely receive news of or have contact with the outside world and they do not have relations with the sectors of the central government.

"I sell electrical goods such as refrigerators, fans and irons for a living. Before, I used to travel to all the communes and the people were interested. But now, I can't go. There are a lot of problems," said a villager to me.

There are so many terrorist groups that they cannot all be counted. Some are just ordinary bandits. When the government officials fail to make a clear distinction between them, the news that is disseminated throughout the country makes it seem as if they are [communist] terrorists or terrorists who have plans to separate the country and establish an independent state. And sometimes it is even mentioned that they are receiving financial help from abroad.

The lives of the Thai Muslims are tied to the terrorists. Some are related by blood. Some are the wives and children, or other relation, of the terrorists. Thus, it is easy for the terrorists to gradually increase in number. Suppressing them by force in the mountains will only solve things for the moment since the roots of the terrorists are firmly planted among the people in the villages, who are people who make a living honestly.

The southern problem in the border provinces is becoming worse every day. If the apparatus of the central government continues to cling to the "suppression and pacification" method, this violence will make the problems even worse. The terrorists have formed a united front with the people without having had to spend any money. The victims are the honest Thai Buddhists and Thai Muslims.

The policies should be revised. Based on my contact with the views of the common people, I feel that just as the government thinks that Thailand is a priceless treasure that must be defended with one's life, so do the Thai Muslims.

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THAILAND

WRITER PLEADS FOR SOUTHERNS TOBE VIEWED AS THAIS, NOT MALAYSIANS

Bangkok SIAM RAT in Thai 9 Sep 80 pp 5, 7

[Article by Nara Na Khaokong: "Solve the Intangible Problems In Order to Help Stop the Fighting In the Budo Mountains"]

[Text] To solve the problems in the three southern provinces, we should forget about all the things concerned with the fighting in the Budo Mountains.

Only the real conditions, or the natural conditions, that exist in the three southern provinces should be left and these conditions should be studied without prejudice in order to establish a basis for solving the problems that have arisen from the fighting in the Budo Mountains.

The natural conditions in the three southern provinces are the historical and social conditions. The economic and political conditions are conditions general to the country and, therefore, they will not be discussed here.

The historical conditions of the people in the three southern provinces are different from those of Thailand. The people here are Malays and they use the Malay language in their daily lives. They follow Islam and their culture, customs and traditions stem from Islam. This means that the people here have their own special history.

These historical conditions are the reason why society in the three southern provinces is different from the general society of Thailand.

The most important social unit is the family. Families here are composed of parents and children just like Thai families in general but they do exhibit special characteristics that are different from Thai families. The families of these people are closely tied to Islam. Life in the family is related to society and, therefore, life is conducted in accord with religious prescriptions or cultural prescriptions that stem from their religion. The people here are, therefore, very strict about and submissive to their religion. If anything arises that affects their religion, problems arise immediately.

The Islamic religion followed by the people is closely related to their use of the Malay language. The language used in Islam is Arabic. Thus, because Islam reached these three southern provinces from Malaysia and Arabic is used to explain the religious teachings, Malay must be used as the mediating language. Malay is, therefore, as important as Arabic, just as Thai is as important as Pali since it is used to explain Buddhist teachings.

And it is because of the Malay language that the people here interact with the Malays in Malaysia.

This interaction between the people in the three southern provinces and the Malays in Malaysia is more intangible than tangible. That is, it concerns a feeling more than any results arising from the people in the three southern provinces and the Malays in Malaysia wanting to live together. Thus, it is not manifested clearly among most people.

The little [tangible] interaction that does exist is between the people with mutual interests, such as some politicians who plan to separate the country.

Actually, concerning these historical and social conditions, there are not any internal problems. But by chance, these conditions have arisen in the Kingdom of Thailand, which has different historical and social conditions. The problems that have arisen have, therefore, created both tangible and intangible problems. Such problems as these exist in many places in the world because they are natural problems. Some places have been able to solve the problems; others have not.

All the things mentioned above are real conditions or the nature of the three southern provinces. These are the conditions that have shaped the lives, minds and personalities of the people here and made them different from most of the people in the country.

Thus, to solve the problems, the problems must be solved in the "minds" and "personalities" of the "people." The history, religion and culture of the people cannot be tampered with because these things are humanities greatest treasures and they pose no danger to humanity.

How we solve the "people" problem is the important problem.

In a legal sense, concerning the conditions of an individual that originate in a particular country, besides the many other things, nationality is an important element of the individual because nationality is the origin of "rights and duties," which are important things for the citizens of a country.

Each citizen is tied to his country by rights and duties. At the same time, the country binds the citizens by rights and duties. If the citizens of a country do not have rights and duties or if a country does not have rights and duties, that country will certainly be destroyed. Thus, the rights and duties that originate from nationality are the things that firmly bind the people and the country to each other and make it impossible for them to separate from each other.

The rights and duties create equality among the citizens. No one is higher or lower than anyone else, regardless of the country of birth. In a country, the citizens may have different historical backgrounds, they may follow different religions and they may have different cultural backgrounds but, if they are the same nationality, they will have the same rights and duties.

Conversely, while people may have similar historical backgrounds, the same religion and similar cultural backgrounds, if they are born in different countries, they will most likely have different nationalities and, therefore, they will have different rights and duties.

Understanding this matter of nationality is important for the survival of a country whose citizens have different ethnic, historical, religious, language and cultural backgrounds. If the citizens of such a country understand this matter of nationality correctly, there will be unity. For example, in the United States, the people have different ethnic, historical, language, religious and cultural backgrounds but they have been able to live as one. This is because the citizens of that country correctly understand what it means to be an "American" by nationality.

The government should, therefore, enable all Thais to understand what it means to be "a Thai" in the sense of nationality rather than in the sense of ethnicity. If Thais think that being a Thai is based on ethnicity, a feeling of equality will not arise. Instead, a feeling of mutual dislike and hostility will arise between the people from different ethnic groups since the people from each group may be haughty about the status of their ethnic group and this will certainly give rise to prejudice and both tangible and intangible conflicts.

At the primary school level, which is the basic level in our education system, the curriculum does not stipulate that our children must study what it means to be Thai by nationality. Instead, it is stipulated that the teaching stress what it means to be Thai based on ethnicity. This confuses the Thai people in the various regions about what it means to be Thai and it is not beneficial.

For example, Thais in general think that the Thais in the three southern provinces are Malays or Khaeks or they think that some Thais in the northeast are Khmer even though these Thais were born in Thailand and have the same rights and duties as others.

If we understand, or if we help all Thais to understand, what it means to be Thai by nationality, the fighting in the Budo Mountains will cease since everyone will have a correct concept of what it means to be Thai. They will be aware of the rights they are entitled to from the country and of the responsibilities they have to the country.

It will be just like the Americans who are all conscious of being Americans by nationality.

THAILAND

PREM SAYS RELIGION NOT REAL ISSUE IN SOUTHERN PROBLEMS

Bangkok DAO SIAM in Thai 11 Sep 80 pp 1, 2

[Article: "As For the Problems In the Three Southern Provinces, It Is Said That Religion Is Being Used As a Screen"]

[Text] Prem has stressed that the problems in the southern region, problems that are presently causing difficulties, have been caused by bad people who are using religion as a screen and as a means of creating conflicts between the Thai Buddhists and the Thai Muslims. At the same time, he also disclosed that the military airfield at Sakon Nakhon will be converted to a commercial airport. He also said that he will travel to China at the end of next month.

At 1400 hours on 10 September, a group of Islamic leaders from the southern provinces came to meet with General Prem Tinsulanon, the prime minister, at the Santimaitri Hall. The prime minister delivered an admonitory speech, saying, in short, that "I myself was born in Songkhla Province, a southern province. I have many Muslim friends. In the past, there was not problem concerning the four southern provinces; it has come about only in the last 4 to 5 years. I firmly maintain that the problems have not arisen because of any conflicts between the Thai Buddhists and the Thai Muslims. These problems have arisen because bad people have caused them. These people have claimed that the bad things that have happened have been caused by conflicts between Thai Buddhists and Muslims. We must create mutual understanding about this."

General Prem also state that the "south has a culture that is appreciated by both Thai Buddhists and Thai Muslims. I maintain that we are like brothers. I would like all of you who have come here to disseminate what I have said here today in order to foster understanding among the Thai Muslims. I am very concerned about the fact that there are people who say things to create confusion, As long as I am prime minister, this government will look after each person and try to create equality. The Thai government has given each person the right to follow any religion he wants. Another thing that I would like all of you to take back and tell the Thai Muslims is that they should help develop the villages in order to generate progress. They

should help look after the children so that the children receive an education and so that they have the capabilities and knowledge necessary to earn a living. Besides this, people should help teach the children to be good people."

Following this, General Prem granted an interview to a reporter. He said that on Saturday, the 13th, he will make a trip to open a military airfield in Sakon Nakhon Province. Moderate improvements have been underway for a long time and things have just been completed. The improvements were made to modernize the airfield and make it safer.

The reporter asked whether or not things have improved along the border. General Prem stated that "things have been better for a long time." He also added that this airfield will later be converted to a commercial airport since Sakon Nakhon Province does not yet have an airport. The Ministry of Communications is interested in this but whether this can be carried out or not depends on whether there are enough passengers.

At the same time, the prime minister added that he will definitely make a trip to the People's Republic of China. The Ministry of Interior has stipulated that the trip will be made at the end of October. The details will be revealed just prior to the start of the trip.

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THAILAND

MASS REASSIGNMENT OF CIVIL SERVANTS URGED FOR SOUTH

Bangkok TAWAN SIAM in Thai 12 Sep 80 p 2

[Editorial: "Solving the Southern Problem"]

[Text] We have learned that at a conference of the Security Council held at the Senanarong Camp in Songkhla Province to discuss ways to solve the problems in the five southern provinces, the problem that received special attention was the troubles of the people. Their troubles stem not only from the activities of the various terrorist groups, but they also stem from the actions of government officials.

As for the troubles of the people that stem from the actions of government officials, the conference proposed a resolution in accord with this. The resolution stated that there must be a major reform and reassignment of both administrative and suppression officials at the local and district levels in Pattani, Yala and Narathivat provinces. New government officials who are well qualified and who are sincere about solving the problems must be chosen to be assigned here in order to improve the image of government officials in the eyes of the people and show them that the government is sincerely determined to solve the problems and remedy the troubles of the people in the southern provinces.

The idea of reforming things means reassigning government officials in the three southern provinces at both the local and district levels -- that is, from the district officer, chief inspector or division head level on down -- and then selecting well-qualified and capable officials who are sincere about trying to solve the problems to replace them. However, even though this idea has been proposed with good intentions, we are not sure that this will successfully and permanently put an end to the troubles of the people.

Our reason for thinking this is that this solution involves solving the problem of personnel only. Usually, we believe, government officials whom the government has sent to work in the southern provinces have all been carefully selected. But, in addition to the

personal behavior of the government officials being a factor, the reason for their inability to carry out the tasks to the satisfaction of the people may also stem from the environment; the administrative system may be an obstacle also.

Thus, in their view, the government should give attention to some aspects of the administrative system and reform them at the same time. A very important thing is that the appointment of administrative and suppression officials should also be discussed by the committees responsible for maintaining order among the sectors instead of letting people take arbitrary action as is done at present.

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THAILAND

APPEAL MADE ON BEHALF OF THAI CONVICTS IN KUWAIT

Bangkok BAN MUANG in Thai 16 Sep 80 p 5

[Ta Mo Lo column: "Humanity Looks Away"]

[Text] Four Thais are in prison in Kuwait, one of the Arab countries, for robbery and killing people. In accord with the nature of the Thai people, the Thais in Thailand cannot stop worrying when other Thais meet such a fate abroad.

Based on the reports concerning help from the government and the employment agency in Thailand, it does not seem that it will be possible to secure their release because this case involves serious offenses and Thailand does not have any influence in this country.

Our government is not strong like Mrs Margaret Thatcher, the prime minister of England, who used her influence to pressure Thailand to pardon and free an English woman imprisoned on drug charges.

As for the case of the four Thai prisoners in Kuwait, the trial court in Kuwait sentenced three of the men to death; the fourth was given 20 years in prison. While this article was being written, the case was in the court of appeals and the court had postponed deliberations until an interpreter from Thailand arrives. Our main concern is about having the sentence reduced from death to life imprisonment.

However, the fact that a Thai has been sentenced to serve 20 years in a foreign prison is the same as being cut off completely from the world of the Thai people. He will be isolated in the midst of foreign prisoners who speak a different language, who have different customs and who eat different foods, which is the greatest psychological torture possible.

Their families in Thailand cannot go visit them and this will cause them to suffer for a long time too, just as if they too had been punished.

This is not just from a humanitarian standpoint.

And when the prisoners are finally released, the fact that they have not had any contact with their families will cause them to be isolated and they will lack a base of support at a time when they have a great need for such support.

I think that the Ministry of Interior and the Ministry of Foreign Affairs should discuss this problem and they should make an effort to gain permission for the Thai prisoners to serve their sentences in Thai prisons in accord with the decisions of the court in Kuwait.

There might not be a precedent, but there should be an attempt to hold government-to-government discussions about this.

Besides this, I think that the United Nations or other international organizations should take up the matter of prisoners in foreign prisons and discuss the matter from a humanitarian standpoint.

At present, the prisons in the various countries have more and more foreign prisoners since the world is now "smaller." It is as if these foreign prisoners have been given an additional sentence because they have been completely cut off from their society.

For humanitarian reasons, foreign prisoners should be allowed to serve their sentences in their own country.

At the same time, this will also ease the situation for the prisons where the foreign prisoners are imprisoned because the prisons must give them special care, also for humanitarian reasons.

Therefore, the United Nations or the international organizations interested in humanitarian problems should discuss the problem of foreign prisoners so that there are measures for returning the foreign prisoners just as there are for returning terrorists.

I would like to leave such thoughts with the Ministry of Interior and the Ministry of Foreign Affairs. If this is done, it will bring honor to Thailand and merit will be gained.

But returning to the case of the four Thais who are serving sentences in Kuwait for serious offenses, it appears that this has had a great effect on the Thais who have gone to work in Kuwait. The people of Kuwait have openly expressed hatred for the Thai people in accord with the violent habits of the Arabs. Besides this, the Kuwait newspapers have published articles calling on the Kuwait government to stop hiring Asians to work in Kuwait.

The future of Thais in Kuwait is not very good and this may affect the Thais living in other Arab countries. Besides this, this may also cause other Asians to dislike Thais too.

At present, approximately 50,000 Thais are working in Arab countries and they send at least 600 million baht back to Thailand each year.

But the government has shown very little interest in their welfare. Starting when the Thais are sent to work in the Arab countries, the private employment agencies are allowed to carry this out with only slight supervision by the Department of Labor. And this is a source of injustice.

After they reach the Arab countries, there are no [Thai] government officials to look after them. They lack protection and help and there is no one to advise them when they have problems. They must help themselves in accord with their fate.

Most of the Thais who have gone to work in the Arab countries have little education. Also, the Arab countries have societies that are very different from Thai society and, therefore, there are many problems for the Thais there.

One of the many reasons why three Thais have been sentenced to death and one has been sentenced to 20 years in prison is that the government has shown little interest in them.

In the past and up to the time of this latest sad case, we have constantly heard excuses and excuses from the officials concerned.

The government must take joint responsibility. It must take up this matter and consider how to improve the various measures so that things are more efficient.

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THAILAND

COLUMNIST VIEWS RELATIONS WITH HUNGARY

Bangkok BAN MUANG in Thai 27 Aug 80 p 3

[A Look At the World Today column by "Free Man": "Hungary, a New Friend of Thailand"]

[Text] Recently, a ceremony was held to open, for the first time, the Hungarian Embassy in Bangkok. This was also the occasion for celebrating Hungary's 35th National Day. General Prem Tinsulanon, the prime minister of Thailand, was invited to attend the ceremony and head the ceremonies to open the Hungarian Embassy on this occasion.

At present, the Thai government does not have an embassy in Hungary but the Thai government has instructed its ambassador in a neighboring country to also carry out the duties of an ambassador to Hungary. But it is expected that Thailand will establish an embassy in Hungary sometime in the future after trade with Hungary has increased.

Hungary is a country in eastern Europe. It borders Czechoslovakia to the north, the Soviet Union to the northeast, Romania to the east, Yugoslavia to the south and Austria to the west.

Hungary has a land area of only 93,000 square kilometers, ranking 16th among the countries of Europe. The latest census of 31 December 1979 showed a population of 10,710,000, which ranks Hungary number 13 among the European countries in terms of population. Its average density is 114 people per square kilometer. Budapest, the capital of Hungary, has a population of 2,083,000.

Thailand and Hungary are 6,000 miles apart.

Hungary is somewhat unfortunate in that it has been a crossroads of the great power armies, or a "tiger path" as it is called in colloquial Thai. In both world wars, Hungary suffered great devastation. During World War II, the armies of Nazi Germany invaded and took control. Only at the end of the war when Nazi Germany was defeated did Hungary again become an independent country.

Those who survived the war helped each other to restore the country, a country that had been devastated by the war. Almost all of the houses in Budapest, the capital of Hungary, were destroyed during the war. Only one locomotive was left in the country. But later, more than 1 million new houses were built and some were rebuilt. The average figure now is one house per 10 people and Hungary has become the world's leading producer and exporter of locomotives. Hungary has also become Europe's leading producer of buses, producing more than 13,000 per year. These can be considered to be the achievements of Hungary's older generation.

Younger Hungarians who were born after 1945, that is, after the end of World War II, are leading their lives in conditions that are very different from those experienced by their parents. They have never seen war or heard the sound of guns. They go to school and play sports. They play music and watch television, of which there are almost 3 million sets, which is more than the number of households in Hungary.

Mr Jarot Veret, the first Hungarian ambassador to Thailand, stated that "the people of Hungary love peace, freedom, independence and peaceful cooperation. We want to exchange views, cultural ideas, goods and experiences with countries throughout the world. Hungary was one of the originators of the Helsinki Accords, which insured the reconstruction and cooperation of the European nations. We have faith in promoting relations built on the basis of peace and friendship with the people of the world, no matter how far away they live."

The Hungarian ambassador also stated that "we are ready to develop relations with Thailand on several fronts for mutual benefit. We want to particularly emphasize the development of trade and economic relations. The establishment of a Hungarian embassy in Thailand will facilitate the building of relations between Hungary and Thailand. And I believe that if a Thai embassy is established in Budapest, the friendship between the two countries will become even stronger."

Yes, the more countries that Thailand has friendly relations with, the more markets Thailand will have for its goods.

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THAILAND

ASEAN TO PROTEST JAPANESE TRADE WITH HENG SAMRIN

Bangkok SIAM RAT in Thai 12 Sep 80 pp 1, 12

[Article: "Asean Will Take Action Against Japan For Violating the Agreement [Not to] Trade With Kampuchea"]

[Text] The trade and industry organization of Asean has opened discussions and made preparations to protest Japanese companies carrying on trade with the Heng Samrin government in Phnom Penh because it is believed that this violates the agreements made with Asean.

Mr Aram Kotikun, the head of the Thai Industry Association has disclosed that, based on his trip to attend a conference of the trade and industry organization of the five Asean countries that was held in Manila in the Philippines at the beginning of the week, it appears that the conference showed its great displeasure over the fact that more than 21 Japanese companies have begun trading with the Heng Samrin government in Phnom Penh, which is being supported by the Vietnamese. This is because it is believed that this is a violation of the contracts and agreements that Japan entered into with Asean with regard to the policy of supporting Asean on all aspects of the Kampuchean matter.

At the same time, Mr Aram also disclosed that the Asean conference had also displayed its great displeasure at the Japanese government's hypocritical policy. Because when confronted with this matter, the Japanese government responded by saying that it could not become involved in private business matters.

At this conference, Asean resolved that each member country should try to think about what action should be taken against Japan and to report these ideas at the conference in order to carry out further action.

The more than 21 Japanese companies were invited by the Heng Samrin government to send representatives to discuss the sale of such goods as spare parts for vehicles and various machines in exchange for raw materials such as teakwood tree resin and crocodile skins, which Kampuchea will send to Japan through the port of Kampong Som.

BRIEFS

TASK FORCE ON SOUTH--The National Security Council has agreed in principle to the formation of a joint administrative committee composed of [elements from] all sectors involved in solving the problems in the three southern provinces. General Soem Na Nakhon will head the committee. A news report from the Prime Minister's Office stated that at a conference held last week to evaluate the situation in the three southern provinces, a conference chaired by General Prem Tinsulanon, the prime minister, Mr Damrong Sunthornsarathun, the director-general of the Department of Local Administration, proposed that all the sectors concerned with maintaining peace and order in the three southern provinces be joined together by establishing a joint administrative committee with General Soem Na Nakhon, the deputy prime minister and Supreme Commander, serving as chairman. The report stated that, in accord with this proposal, the National Security Council agreed in principle to this in order to implement it and solve the problems in the three southern provinces in a unified and efficient manner. [Text] [Bangkok SIAM RAT in Thai 1 Sep 80 pp 1, 12] 11943

ISLAM IN SCHOOLS--Islam is to be taught in a total of 719 primary schools in the southern border provinces. Mr Damrong Sunthornsarathun, the director-general of the Department of Local Administration, stated that the Department of Local Administration, together with the southern border provinces of Pattani, Yala, Narathiwat and Satun will now allow Islam to be taught in 719 primary schools in these provinces so that more people in these provinces take an interest in education and send their children to study at government schools. This is also being done in order to meet the needs of the Muslims so that each person can perform religious activities in daily life from having studied Islam in a government school and so that they have a greater knowledge and understanding of the Thai language. The Department of Local Administration has turned over 6,128,960 baht to the southern border provinces to cover various expenses such as the salaries of the teachers who teach Islam, the cost of training sessions for teachers who teach Islam and the cost of seminars for education administrators. [Text] [Bangkok SIAM PAT in Thai 4 Sep 80 p 3] 11943

POOR OUTLOOK FOR CONSTRUCTION--The president of the Thai Construction Workers' Association has stated that the building industry situation will deteriorate greatly next year. The amount of work will decline 50 percent because there is no new government construction budget and, in the private sector, there are more than 200,000 buildings and town houses that have not been sold. Mr Wichit Chawananan, the president of the Thai Construction Workers' Association, talked with the newspaper SIAM RAT about the present situation in the building industry. He said that the industry is in a very depressed situation because construction in the public sector this year mostly concerns projects started last year; there are still no new public projects. At the same time, in the private sector, the more than 200,000 buildings and town houses that were built remain unsold. Mr Wichit further stated that this situation has greatly depressed the building industry this year and it is expected that, in 1981, construction will decline approximately 50 percent. This will cause great problems for the building contractors and many building contractors may go bankrupt, especially the small contractors. [Text] [Bangkok SIAM RAT in Thai 30 Aug 80 pp 1, 12] 11943

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